



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA



Companies and Intellectual
Property Commission

a member of **the dti** group

MEDIA RELEASE

DATE: 13 JUNE 2018

ALL NEWS EDITORS AND JOURNALISTS

THE EASE OF DOING BUSINESS IN SOUTH AFRICA RECEIVES A BOOST WITH THE LAUNCH OF A DIGITAL FINANCIAL REPORTING SOLUTION

The ease of doing business and particularly reducing the regulatory burden for businesses received a boost with the launch of Companies and Intellectual Property Commission (CIPC's) Extensible Business Reporting Language (XBRL), a Digital Financial Reporting Solution at the Johannesburg Stock Exchange (JSE) in Sandton. The system will allow companies to file Annual Financial Statements using this mechanism and the data could be shared across the regulatory spectrum for multiple purposes. Speaking at the launch of the XBRL, the Minister of Trade and Industry, Dr Rob Davies said while there are many challenges with the Fourth Industrial Revolution, it does offer the possibilities of improving governance.

Davies reckons that we have already seen this in the work that CIPC has done to apply digital technologies to company registrations.

“The digital financial reporting is introduced via the internationally acknowledged best-practice technology standard. XBRL is for electronic communication of business information and what it does is that it simplifies the preparation and analysis of data, providing major benefits in the communication of annual financial statements, and a step towards absolute connectivity between all our entities,” said Davies.

According to Davies, the Extensible Business Reporting Language (XBRL) will align the submission of annual financial statements with that of the global reporting standards for businesses. The programme will also mitigate the administrative burden on businesses when reporting financial information to government for regulatory compliance.

“This system has the capacity to ensure that there is integrity in the financial reporting mechanism to different agencies in government. Furthermore, it supports greater transparency, improves the efficiency of capital markets by assisting analysts, financial and security regulators, business registrars, tax authorities and other users to access relevant facts,” said Davies.

Davies added that the essence of the Fourth Industrial Revolution is about large data management and application, where technologies can be applied in various ways across all forms of production and service activities as well.

The Companies and Intellectual Property Commission (CIPC), Advocate Rory Voller said XBRL will assist companies with filing annual financial statements to egress from PDF reporting format, to a structured format.

“By using XBRL, companies and other producers of financial data and business reports can automate the processes of data collection. This will ultimately reduce the burden of multiple submissions by different regulators. We are satisfied with the results and believe the system offers users long-term benefits, especially if they integrate it with their back-end systems,” said Voller.

Commissioner Voller added that a six-week pilot programme was conducted where over 100 companies, listed and unlisted entities, were invited to test the system.

“We are satisfied with the results and believe the system offers users long-term benefits, especially if they integrate it with their back-end systems,” stated Voller.

Voller noted that XBRL reporting applies to about 100 000 qualifying entities in South Africa.

XBRL simplifies the preparation, analysis and communication of Annual Financial Statements whilst ensuring greater transparency in reporting. South Africa is one of the first countries in Africa to introduce this Financial and Regulatory reporting technology. The Filing of financial statements to the CIPC in XBRL format with the Annual Returns becomes mandatory from the 1 July 2018 for companies meeting the Audit threshold.

Caption: Minister Rob Davies at the XBRL launch at the JSE in Sandton.

Enquiries:

Sidwell Medupe-Departmental Spokesperson

Tel: (012) 394 1650

Mobile: 079 492 1774

E-mail: MSMedupe@thedti.gov.za

Issued by: The Department of Trade and Industry

Follow us on Twitter: [@the_dti](https://twitter.com/the_dti)