

Corporate Alert: SEC Adopts XBRL and Launches IDEA

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XBRL

On December 17, 2008, the Securities and Exchange Commission (SEC) voted to approve rules that will require public companies to file financial statements and certain other information in an interactive data format called XBRL. XBRL stands for eXtensible Business Reporting Language and is intended to make the information more easily analyzed, accurate, and accessible to investors.

In XBRL filings, all of the key facts in a reporting company's financial statements will be labeled with computer-coded tags, which are designed to make financial information more easily searchable on the Internet and more readable by spreadsheets and other software. The intent of XBRL is to allow investors to quickly find specific facts disclosed by companies and compare them to those of other companies to assist investors in their investment decisions. The interactive data will also be filed as a separate exhibit to a company's periodic annual and quarterly reports, transition reports for a change in fiscal year, reports on Forms 8-K and 6-K that contain updated or revised versions of financial statements that appeared in a periodic report, and Securities Act registration statements.

The phase-in for XBRL filings will occur over three years and is tiered by company size. In 2009, domestic and foreign large accelerated filers with over \$5 billion worldwide public float that use U.S. Generally Accepted Accounting Principles (GAAP) will be required to file their quarterly and annual financial statements in XBRL starting with their first quarterly reports for fiscal periods ending on or after June 15, 2009. In 2010, all other domestic and foreign large accelerated filers that use U.S. GAAP will have to start providing their financial statements in XBRL. All remaining companies that use U.S. GAAP, including smaller reporting companies, and foreign companies that prepare their financial statements using International Financial Reporting Standards, or IFRS, will have to file in XBRL starting in 2011. According to this schedule, all U.S. public companies will have reported in XBRL by the end of 2011.

IDEA

Also on December 17, 2008, the SEC launched its Interactive Data Electronic Applications, or IDEA, reporting system. IDEA will accept XBRL filings and is designed to facilitate and speed investor access to public companies' financial information. The new IDEA system was unveiled earlier in 2008 and will first supplement, and then ultimately replace, the EDGAR database. IDEA already lists companies that have been reporting on it voluntarily and can be found at idea.sec.gov.

For assistance in this area, please contact one of the attorneys listed below or any member of your Mintz Levin client service team.

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