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### Extensible Business Report Language (XBRL) Implementation of Financial Reporting Standard in Indonesian Banking Industry

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**Abstract:** The use of technology in the financial statements is considered very important. Because an automated systems has not provided, so still needed manual data input and the potential occurrence for error (*time-consuming and error-prone*), Statutes standardized format has not provided (no similar reporting format: PDF, Excel, or word), the validation tool automatically has not provided, lowering the quality of information, and the tools to do the analysis report has not provided (*analysis tools*). XBRL technology utilization can fundamentally change the business way of providing information to investors, markets and regulators, and the way of each stakeholders group to make more informed decisions. XBRL is also considered to have a significant impact on the accounting and auditing. The purpose of this research is to determine the processing of financial data using XBRL format and analyze XBRL implementation to the standardization of financial reports in the banking industry.

This research uses secondary data obtained from [www.idx.co.id](http://www.idx.co.id) sites for each financial statements of the bank's government. Then, Secondary data is processed which using the taxonomic reference issued by the Indonesia Stock Exchange. After processed, the financial statements can be exported data to produce financial statements that have XBRL format. Observations were made in the 2012 until 2015. The samples came from [www.idx.co.id](http://www.idx.co.id), using purposive sampling technique.

Results of research and testing showed that XBRL can standardize the financial statements of the banking industry with reference to the taxonomy created by IDX specifically for the banking industry. The impact of standardizing financial statements is highly beneficial to all stakeholders, especially potential investors, both prospective investors from domestic and prospective investors from abroad who want to invest in companies engaged in the banking sector in Indonesia.

**Keywords:** xbrl, financial, reporting, standars, banking

## 1. INTRODUCTION

A technological development in decades is growing very rapidly throughout the world. This has brought about significant changes not only in the public mindset, but also how a company's business and process information is exchanged. An advance in information technology, especially the Internet is marked by the increasing number of internet users in Indonesia. In 2014 the number of internet users more than 45 million people and increased to 50 million. Indonesia also participated accounts for the number of Internet user's world that is equal to 8.5% of the overall total.

The rapid development of technology, communication through the Internet has been adopted by the business sector as an important tool to provide information. The development of information technology, especially the internet has affected traditional forms of presentation of company information so that it appears a new technology in the presentation of financial statements via the internet called Extensible Business Reporting Language (XBRL).

The financial statement in the business world becomes one of information that describes the performance of a company. The financial statements can also be communicated to investors, creditors, management, and all those who use the financial statements (*stakeholders*) about the condition of a business workflow. In addition, the financial statements are also an aspect to be considered for taking a good decision by the investors, creditors, and management (stakeholders). Research conducted by Cheng, Lawrence, and Coy (2000) in Howard Davey and Kanya Homkajohn (2004) stated that 32 companies out of 40 companies (80%) in Thailand already have websites and 70% had submitted their financial statements on websites. Another research conducted in the UK which conducted a survey of the top 100 Fortune Global 500 companies showed that 89% already have websites.

There are two main problems being faced by the company in its financial statement presentation is in the process of data management and distribution of information. Data integration and system compatibility is an issue that is often experienced in processing accounting data. While in terms of distribution, the needs of diverse users, especially related to the format of financial statements, requires companies to present financial reports of more than one format.

Research conducted by Jones and Xiao (2003), estimated that the Internet will accelerate the delivery of non financial information in the future such as environmental information, social information, and also corporate governance even qualitative information. Even in 2010, alleged that the financial reporting using the Internet will be more timely and real time reporting. The purpose of this research is to determine the processing of financial data using XBRL format and analyze XBRL implementation to the standardization of financial reports in the banking industry.

## 2. RESEARCH METHODS

This research uses secondary data obtained through *www.idx.co.id* sites for each financial statements of the bank's government. Then, secondary data is processed using the taxonomic reference issued by the Indonesia Stock Exchange. After processed, the financial statements can be exported data to produce financial statements that have XBRL format. Location of the research conducted at the Indonesian Stock Exchange (IDX) with research time observation in 2012-2015. The population in this research was banking companies listed in Indonesia Stock Exchange (IDX) with a sample of banks. The usage of

sampling technique was purposive sampling, sample used is a sample that meets the specific criteria researchers desired and then selected based on certain considerations in accordance with the purpose of research which banking companies which publish financial report and tend to audited such as:

**Table 1: Sample Research**

<i>No</i>	<i>Code Shares</i>	<i>Banks</i>
1	BBCA	Bank Central Asia, Tbk
2	BBNI	Bank Negara Indonesia (Persero), Tbk
3	BBRI	Bank Rakyat Indonesia (Persero), Tbk
4	BBTN	Bank Tabungan Negara (Persero), Tbk
5	BDMN	Bank Danamon Indonesia, Tbk
6	BJBR	Bank Jabar Banten, Tbk
7	BJTM	Bank Pembangunan Daerah Jatim, Tbk
8	BMRI	Bank Mandiri (Persero), Tbk
9	PNBN	Bank Pan Indonesia, Tbk

Based on the type, the data used in this research is qualitative and quantitative data, in which the primary data obtained from justification of audited financial statements of the Government Bank in 2012 to 2015. The report will be mapped using taxonomy of IDX. Then, it is defined using XBRL application. After mapped, data is validated which issued its final report in .pdf form. While, secondary data in this research is the original format of audited financial statements in 2012-2015 of the Government Bank (BRI, BTN, BNI and BMandiri). In addition, researchers also used data from previous research related to the usage of financial statements of XBRL. Data collection through library research by collecting data from the literature and relevant reading and supporting research. Meanwhile, field research by gathering data in the field that includes observation and data download. Researchers participating directly in downloading data and observe the data that has been taken. Then the data will be converted into the format required in the research. Researchers are also using triangulation, in data collection techniques triangulation is defined as data collection techniques that are combining of various data collection techniques and data sources that already exist. The collecting data is done by researcher with used triangulation; actually researchers collected data as well as test the data credibility with data collection technique from various sources.

Analysis of the data by 1) makes the observation of social phenomena, learning all data available from various sources. 2) Perform data reduction with sorting out matters of research focus. Data reduction is an attempt to summarize while maintaining the validity of data. 3) Conduct and explains the categorization of information which obtained both data such as documents, journals and conversion of primary data. 4) Perform the interpretation of data by changing the format of the data bank from the .pdf into .xls further into XBRL format. 5) Explain the relationships between the categorization of the data with other data and 6) Making of general conclusions after the synthesis of the data found. After the researchers built and explain existing theories with the data in the field. In addition, researchers also use descriptive analysis which is collected and described by systematic description to determine the XBRL Application to standardize the presentation of the financial statements of the banking company in Indonesia.

Step research work needs to be done to interpret the data in the form of PDF format into XBRL format is as follows. 1) choosing a bank which financial statements will be used as a sample. 2) downloading the financial statements of the Indonesia Stock Exchange website. 3) download a kind of annual reports that are consolidated annually from the year 2012 to 2015. 4) look for open source software for the justification of financial statements into XBRL format. 5) perform the plant software and other supporting applications. 6) mapping each financial item on each bank's financial statements. 7) validate the mapping results using XBRL software. 8) to generate the mapping results in XBRL format. 9) to generate a new financial statement results of justification in .pdf format and 10) describe the presentation of the data before and after justified.

### 3. RESULTS AND DISCUSSION

Analysis of the financial statements implementation with XBRL format starting from the provision of application requirements to support the process of justification of format .pdf/.xls into .XBRL format. Then continued with data mapping proceed, data validation to the export data. Some applications are required to enable authors to justify the financial statements into XBRL format 1) Microsoft Office Excel 2003/2007. In this research, the authors use Microsoft Office Excel 2007. This application is used to view the data presentation of financial statements that will be mapped into XBRL format. 2) Dragon Tag. Applications to map every existing report item, upload the existing taxonomy on IDX sites, validate the results of mapping and provide output in a format XBRL/XML. 3) Microsoft .Net Framework. Supporting applications that Dragon Tag application can be integrated with Microsoft Excel application. 4) Smallpdf.com. Web-based applications. The writer uses the application to convert financial data obtained in the form of passive document (.pdf) to form an active document (.xls). 5) Dragon View. Application to see the data mapping financial statements results that have used XBRL format.

The process of its financial statements justification, first author opens Dragon Tag application. Then, the writer chooses a feature Start Excel with Dragon Tag Add-in. After that, the Microsoft Excel application window opens automatically. The justification process entered to upload IDX taxonomy specific to the sharia finance sector into Dragon Tag application. The upload process needs to be done to see the explanation of each item on the kind of financial reports of each bank. This makes XBRL become format with the global standard that can be understood by all stakeholders.

The step of mapping data item in any type of financial statements. In this case, the writer took sample financial statements of Bank BTN in 2012. The type of taxonomy which is used specialized for companies in the financial sector. An example of the types of financial statements is shown in Figure 4.2 on the financial position/ journals. Mapping is done by Drag taxonomy item on the left side toward the presentation of data to the right that has .xls format. If the mapping process is successful, then any items that have been mapped in the *highlight* become blue. The validation process of mapping results in each point item on each type of financial reports. In the example below, the validation of the mapping financial item result no *error*. Thus, the financial statements have Excel format can be exported its data to the financial statements that have XBRL format. If during the validation process found an *error* on any financial item, then the export process of financial reporting data can not be done. For the description, each item of financial errors, given signs of red color.

The results show that the financial statements have .xls format can be exported into the financial statements have .XBRL format. Every finance item successful to be exported, which has tags that defined

directly. An examples period of financial statement exported is financial statements period of Bank BTN 2013 and 2012. The indicates that the report results based on the mapping process in which each item using IDX taxonomic reference. The report results in Figure 6 is the standardized format issued by XBRL consortium, the goal is for the presentation of financial data in all companies around the world to be the same as well as the exchange of data and information to be more easily compared with the format of financial statements that do not take advantage of taxonomy.

Each bank financial statement has been successfully justified into XBRL format, the file must have at least three, including: 1) [File Name of Bank Financial Statements] .XBRL. This file contains the tags of mapping result on each financial item that refers to the taxonomy IDX. 2) [Name File Financial Statements of Bank] .pdf. This file contains the report view that has been produced; standardized and simplified refers to ID type of financial statements so as to facilitate all stakeholders to analyze the financial position of the banking company. 3) [Name Taxonomy] .xsd. This file is a taxonomy that is used to standardize the presentation of financial statements in Indonesia. In this research, the writer used IDX taxonomies for industry sector finance and sharia. Taxonomy is labeled as “*ep-E24-sharia finance-2013-04-30*”. The taxonomy has been published in various exchange regulators around the world as well as in applications that is designed specifically to map financial statements into XBRL format.

Prior to the implementation of XBRL in Indonesia, the standard financial statement refers to two things, namely: IAS and IFRS. A guideline of Financial Accounting Standards (IFRSs) is a framework in the financial reporting procedures to enable the uniformity in the presentation of financial statements. International Accounting Standards (IAS) is the formulation result of principal Committee of Accounting Indonesia in 1994 replaces Accounting Principles in Indonesia in 1984. IAS in Indonesia is applied from multiple existing accounting standards such as IAS, IFRS, ETAP, and GAAP. There was also IFRS sharia and SAP.

An IFRS is international accounting standards which issued by the International Accounting Standards Board (IASB). (International Accounting Standards (IAS) drawn up by the world's four major organizations are the International Accounting Standards Board (IASB), Commission of the European Communities (EC), the International Organization of Capital Markets (IOSOC), and the Federation of Accounting Internasioanal (IFAC).

After standardization of XBRL financial statements is applied very different from PDF files that have been used in financial reporting. The report stated in this XBRL is optimized for computers consumption (data analysis via computer software). This is because the data in the form of XBRL financial reports can easily be transformed into a variety of computer software. XBRL does not produce accounting standards but promoting the use of the standard itself. Organizations can take advantage of XBRL to define financial information and generate financial reports in various formats. Technically, the main trunk XBRL is XBRL taxonomy. A financial reporting taxonomy acts like a dictionary with the account specified relationship between them. For example, in the taxonomy of accounting, cash classified as part of current assets and current assets classified as part of total assets.

Advantages of Using XBRL Format instead of Reference Standards that the output of financial statements with XBRL format has a clear presentation of data and can be seen more easily by all stakeholders so as to speed up decisions on business banking company in the future. In general, according

to Bapepam- LK, Advantages of the application of XBRL are: 1) Increase the usefulness of electronic reporting system for implementing: (a) The format that has been standardized, so as to produce the information and data is 'comparable' and easy to analyze, (b) Validation automatically, so to minimize input errors. 2) Makes it easy to do report publication (including financial statements) for XBRL can be recycled into a desired format: PDF, HTML, Excel, and TXT. 3) Improve the accessibility of financial information, particularly for international investors, because XBRL applying a standard of identification information. Foreign investors, it is possible to analyze them independently and make comparisons with their own language and 4) Accelerate business decision making for investors.

Moreover, the benefits felt after XBRL technology is applied that is related to the ease of access to financial information for foreign investors. The research conducted by previous researchers associated with the implementation of XBRL is very often discuss the relationship or the effect of XBRL application to the costs that could be incurred by Investors when will invest in a company. For example, Yen - li et al from the National University from Singapore. Their research show that implementation of XBRL can reduce the company's cost of equity capital by 60 Basis Points. Cost of Equity Capital is closely associated with the analysis done by the prospective investor to the company's capital will be invested by it. Then, Shongsen Chen et al from the Beijing Institute of Technology in China also expressed the same thing as Yen - li that the adoption of XBRL can reduce the cost of equity capital of up to 600 basis points. Elisabeht, blankspore et. al., in their research also states that that the application of XBRL can reduce the cost of equity capital value of up to 4 % .The third illustration of the above research, it is clear that the application of XBRL can reduce the cost of equity capital into consideration of each company to prospective investors.

#### 4. CONCLUSION

This research is a research and testing which is conducted by the writer on the financial statements of government and private banks from the year 2012 - 2015. It can be seen from the problem formulation is how the past justification process becomes the standardized format (.XBRL) then the writer has submitted a detailed step by step to the justification process of the government bank's financial statements in the same period. Based on the analysis and discussion that has been mentioned in the previous chapter, the XBRL format can standardize all of the company's financial report on the banking sector. This could encourage the creation of similar financial reporting format not only the banking sector but also other sectors in Indonesia.

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