XBRL US Center for Data Quality

XBRL US Data Quality Committee
GUIDING PRINCIPLES FOR ELEMENT SELECTION

The mission of the XBRL US Data Quality Committee (DQC) is to improve the utility of XBRL data submitted to the U.S. Securities and Exchange Commission (SEC). To accomplish this, the DQC develops appropriate guidance and validation rules to prevent or detect inconsistencies and errors in the XBRL data.

The DQC has developed Guiding Principles that are incorporated into the DQC guidance for tagging financial statements in XBRL format. There are four guiding principles which are designed to improve the usability of XBRL data by ensuring the consistency of element selection and data modeling, allowing the comparison of XBRL data for analysis purposes. The following principles are incorporated in the DQC guidance:

1. **The primary consideration for element selection must be based on the reporting requirements prescribed by the SEC for public companies and, where applicable, widely-recognized common disclosures.**
2. **The data modeling for reporting requirements must be standardized with a bias for enhancing utility.**
3. **Extensions, when allowed, must be linked to an element in an SEC approved taxonomy.**
4. **Element selection must be based on the same materiality judgments as was used when preparing the financial statement disclosure.**

The first principle clarifies that the element selection process should be based on the reporting requirements prescribed by the SEC. Making the disclosure requirements for public companies the primary consideration for element selection clarifies how registrants use the taxonomy in a consistent manner for similar events or transactions. The SEC has adopted this approach and the EDGAR Filer Manual (EFM) has been clarified to require the authoritative reference be the first characteristic to consider when selecting an element (EFM 6.6.29) along with the period type, data type, and standard documentation labels.

The second principle addresses simplification of data modeling. Tagging using the authorized taxonomies should not allow for multiple ways to tag the same required disclosure. This makes the data less comparable and more difficult to consume. Accounting standards require uniform disclosures for the same events and transactions. The DQC guidance issued based on this guiding principle will provide a standardized data model that will provide a uniform way to tag a required disclosure.

Extensions are used to convey entity specific information that is not included in a base taxonomy. The third guiding principle addresses when extensions can be used and linked to a standard element in the taxonomy, which allows the extensions to be machine readable because their meaning can be explicitly understood in an automated process. The Entity Specific Disclosure Task Force of XBRL International has prepared best practices and recommendations on how to ensure that users have sufficient context to automatically handle entity specific disclosures (i.e., ensuring extensions have a useful relationship to standard elements in a base taxonomy). The DQC plans to leverage the recommendations of that task force within the topical guidance developed by the DQC.

The fourth guiding principle addresses basing element selection on the same materiality judgment that is applied in preparing the printed financial statements. Immaterial amounts should have a de minimis impact on element selection.

The DQC may decide to add, remove or update guiding principles as needed. It is expected that the DQC will consider all guiding principles in the development of guidance on topical areas.