

Possible Avenue of Implementation of the XBRL Standard for Maximum Possible Efficiency of Financial Reporting in the Republic of Serbia

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Abstract

One of the possible motives of implementation of XBRL financial reporting standards is based on the automatic production of high-quality data on company performance. Bearing in mind the fact that its application in many countries of Europe, Asia and America is compulsory, it becomes clear that the only feasible way for our companies is to accept the change as soon as possible and start working on the implementation of standards with the support of the state.

It is necessary to accept that XBRL is an ideal solution for achieving the desired quality of financial reporting, which is stated as an objective in all national accounting and auditing legislation. The aim of this paper is to point to the possibility of adaptation of XBRL standards in the Republic of Serbia, with particular reference to the standard implementation process in developed market economies and the neighbouring countries.

The motive for writing a paper on the topic of XBRL is more attractive than actuality, if we consider how far its use went in developed countries. However, the need for solving the problems of financial reporting in our country is an imperative and at the same time contains a scientific interest. The question is, whether the model of implementation of XBRL in Serbia would differ significantly from the model applied in other neighbouring countries.

Keywords

XBRL, implementation, comparative overview, proposed implementation.

1. XBRL standard – definition

Bergeron argues that Extensible Business Reporting Language (XBRL) is a technological standard for transparent business and financial reporting that promises revolution in the finance industry. With XBRL, standard based on XML (Extensible Markup Language), companies can seamlessly exchange financial data in real time (Bergeron, 2003, p. xi).

As the conceptual creator of XBRL, Watson argues that its fundamental meaning is that it is a language facilitating efficient and effective bridg-

ing of the gap between different business systems. XBRL is the global standard for business reporting (Hoffman & Watson, 2009, p.1).

XBRL is an XML-based programming language, which was created in the so-called open standard. It is available free of charge, market oriented, open and global standard of exchange of business information and thus it significantly changes the way financial information is presented to internal and external users. XML is a simple, flexible textual format designed to meet the needs for electronic disclosure of large-scale

data. It plays a significant role in the exchange of different data on the network. (Stergiaki, Stavropoulos & Lalou, 2013, p. 15).

XBRL enables the reuse of financial information in an intelligent manner (Eierle, Ojala, & Penttinen, 2014, p. 160). It is important to note that XBRL is not a new accounting standard, and does not require any changes of the existing accounting standards. XBRL supports the existing standards, providing extended consistency of once entered data (SoftwareAG, 2002, p.5).

The technical specifications of XBRL were developed by a non-profit international consortium and their task forces, whereas the specific taxonomies of individual countries are developed by their accountants and experts. The reason for this is that accounting rules differ from one country to another, so that XBRL standard specification must be carried out in each individual country. Hannon defines XBRL as a “standard for simplifying exchange of financial statements, performance reports and other business information between software programs” (Hannon, 2005, p. 57).

The development of XBRL was first initiated by the American Institute of Certified Public Accountants (AICPA) in July 2000, with the aim to improve financial reporting in all its different procedures, processes, within and outside reporting companies (Arndt, Iseemann, Brosowski, Thiessen, & Marx Gomez, 2006, p.3).

2. Functioning of the XBRL business reporting standard

It is easy to notice that XBRL is an elegant solution and a part of a broader set of organizational and sociological relations within national and international solutions. The original design of XBRL sets the standard as a general solution of the need for business reporting. The specific areas of knowledge are represented in taxonomies rather than in specification. This brings about a necessary dose of flexibility of such a system (Debreceňy, 2007, p.6).

The taxonomies (nomenclatures) provide rules for defining XBRL tags. For instance, the Generally Accepted Accounting Principles represent taxonomy (Software AG, 2009, 9.p). We can also say that taxonomies are a set of defined elements used by computers to understand business data (Singerova, 2015, p. 136).

The initial development of XBRL taxonomy and specific coding for the purpose of financial reporting was carried out internationally by a non-

profit consortium of over 450 global financial service and accounting organizations, and the countries' exchanges and regulatory bodies (Gomaa, Markelevich, & Shaw, 2011, p. 155).

The XBRL standard should be accepted as an “informatic standard set to only tag discrete information. When these tags have been assigned, it is possible to extract only the desired information, instead of copying, or downloading or printing entire documents. As the standard enables approach to financial data of different industries as well, it is also possible for the obtained data to be easily and quickly comparable (Polić, 2011, p. 271-272).

Taxonomy represents more than identifying the content of an entered number. It can evaluate and confirm that a piece of information related to a certain item such as revenue, amortization or lease expiry date, is structurally correct, that is, that the information is within a certain range of values (for instance, only positive numbers) or has a correct alphanumeric sequence (such as two letters followed by five numbers). The nomenclatures are extendable, which means that it is easy for users to create adjusted tags when necessary, and when the standard nomenclature does not describe or classify exactly certain items. In this, the tags do not have to be defined only for accounting data (Ventana Research, 2008, p.4).

XBRL works by tagging data with a standard description that enables other applications to understand the meaning and the context of specific information within a financial document. The result is data that is entered only once and understood constantly and correctly every time afterwards. There is no need for repeated entry and there is no dilemma about what a number once entered represents (SoftwareAG, 2002, p.4).

“In addition to the official, international parts of the taxonomy of standards required for the functioning of the reporting technology by the use of XBRL, all countries that opted to utilize this standard, and there are an increasing number of them, also add to the existing environment of the taxonomy certain elements of taxonomy appropriate to the specific features of national legislation. After verification, these parts become an integral part of the international standard. Thus individual parts of national taxonomies become transparent in the total worldwide environment.” (Polić, 2006, p.377)

In support of the previous statement of author Polić (2006) we show the process of XBRL

reporting in the US, where there is just noticeable the use of international taxonomy, as well as national, in this particular case US-GAAP (Figure 1).

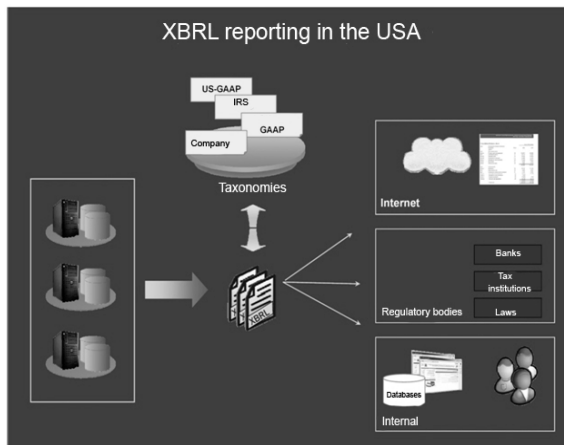


Figure 1 XBRL reporting process on the territory of the USA

Source: Pasmooij, 2010

The fundamental difference between financial statements created in .xls or .pdf format is that they can be read only by man, unlike XBRL, which is readable by a computer. Thus XBRL offers better and easier analyses (Singerova, 2015, p.136).

Several parts must be in place before and XBRL solution is implemented (SoftwareAG, 2002, p.7):

- Taxonomies must be developed and approved for specific industries and geopolitical areas. Countries must agree with the accounting principles that XBRL supports;
- Accounting experts must provide XBRL documents as a part of their auditing procedures;
- Accounting software sellers must have products that are in compliance with XBRL

It must be noted that there is a large number of commercial software using the principles of XBRL reporting. Some of them are sophisticated, must be purchased, require licenses and serious training to be used. Apart from these, there are cheaper, even free products enabling appropriate analyses. The Securities and Exchange Commission (SEC) itself provides a so-called XBRL reader that converts interactive data into those readable by man (Gomaa, Markelevich, & Shaw, 2011, p.155).

One of the simplest solutions perhaps is the use of integrated web services. They are ideal support to the use of XBRL standards as they are based on the XML standard. Web services are web based applications or software components achieving interaction with other web applications. In this way they communicate and share data. Thus web services feature as ideal architecture for the automation of business processes by using internet technologies. Furthermore, detecting possible errors, which is a part of XBRL specification, appears at the source of data rather than when information already reaches a third party (SoftwareAG, 2002, p.5).

3. The main factors of success of XBRL

A condition that must be met for any XBRL solution to be successful is its ability to convert and channel financial information from existing systems without influencing them. Information that are not suitable by XBRL rules must be converted into those that are XBRL supported so that they can be used (SoftwareAG, 2002, p.7).

XBRL is also called “bar code for reporting” and makes it as precise and efficient as possible. It enables linking unique tags with facts in reports, and allow (XBRL The Business Reporting Standard, N/D):

- presenting reports without fear that they are not correct,
- testing reports in relation to sets of set rules, before verifying the correctness of these reports,
- using information as it best suits users and their needs, regardless of the difference in language, currency, etc.,
- using information that are in accordance with a set of predefined sophisticated rules.

For the use of XBRL to be successful, some of the most serious mistakes in its use should be avoided:

- Mapping errors feature as the most serious of all errors. Mapping itself is a process where all accounting concepts are identified, as well as the related amounts of a company’s report with the adequate element from established taxonomies of each country. Errors that occur are the errors of creating unnecessary new elements or the choice of of inadequate elements from taxonomies;

- Errors in extensions: extensions represent a process of creating new XBRL elements in taxonomies that contain the information required for creating reports that are unique for a certain company. Due to its complexity, this process is in most cases entrusted to third parties. It includes the errors of inability to establish proper mathematical relations between elements and representing elements at the wrong location in reports;
- Tagging mistakes: data tagging is the process of approach to numeric and textual data for financial reporting including the expression of currency, time periods and measure units. It includes errors in data entry and ascribing incorrect expressions to values of individual elements;
- Creation and validation errors, which imply failure to validate an XBRL document manually or with software.

Under the supposition that we are able to avoid making these errors, we shall see numerous benefits from the use of XBRL financial reporting standard (overview in Figure 2).

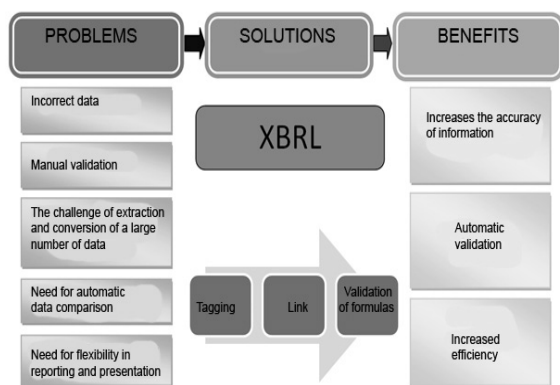


Figure 2 Benefits from the use of XBRL reporting standard (Vyas, 2015)

We can conclude that the XBRL standard provides the following benefits of use (Polić, 2011, p.278):

- lower preparation costs, timely reporting and greater flexibility of reporting,
- simplified approach to information, transparency of information,
- information in general format for distribution.

4. Implementation overview of XBRL in some developed market countries of Europe

The section below gives an overview of adoption of XBRL standards in the countries of the European Union, in developed market countries and neighbouring countries.

4.1. Implementation of XBRL standards in developed market countries of the world

After the American Institute of Certified Public Accountants (AICPA) decided to establish the XBRL international consortium, 2002 also saw the establishment of its national jurisdiction. Each of them has the duty to create their own XBRL applications and taxonomies, in compliance with their models of financial statements. They also have an educational role, explaining what are the essential benefits of XBRL and providing manners for its implementation (Escobar-Rodriguez & Gago-Rodriguez, 2012, p. 97).

The resolutions of the European Parliament dated 21 May 2008 and 18 December 2008 show an obvious concern that XBRL should be implemented at the EU level, with the aim to improve reporting. It was specified that new technologies, such as electronic reporting formats like XBRL, can enable fulfilment of demands for efficient, effective and rapid reporting.

The year 2012 saw the establishment of the non-profit organization XBRL Europe, with the objective of promoting a platform for creating and exchange of business information at the level of European countries, promoting and supporting the standardization of electronic business reporting by the use of XBRL standards, supporting European projects related to the XBRL standard, developing European taxonomies and contributing to the harmonization of national implementation processes, etc. It must be mentioned that the development of XBRL is strongly supported by software producers, and added that it is necessary to perform complex analyses of these to make the choice appropriate. (Enachi & Andone, 2015, p.187).

The European Central Bank plays the leading role as the supervising bank to all other national central banks in establishing a flexible, cost-effective reporting system that does not produce errors. Although the European Union has 28 member countries, plus 32 more outside the European Union, with over 200 languages in use, XBRL can be a unique tool for enhancing the

competitiveness of European companies. The Central Bank of Belgium has prescribed compulsory reporting by the use of XBRL since 2007, and this obligation has been in force in Denmark since 2012, in Spain since 2009, in Great Britain since 2008, in Italy since 2011 (Singerova, 2015, p. 134).

Researching the acceptance and use of XBRL in 100 companies from the European Union, Stergiaki, Stavropoulos, & Lalou reached a conclusion that most of them are satisfied with its output and perspective, and that they strongly support the use of the XBRL standard (Stergiaki, Stavropoulos, & Lalou, 2013, p.14).

Although the XBRL is not the only reporting standard, German financial authorities have chosen XBRL as the compulsory standard for transfer of tax information since December 31, 2011. It is noticeable, however, that XBRL enthusiasts have difficulties in persuading decision makers in companies to accept it. By all means, successful XBRL projects support their introduction and exert pressure on competing companies that still have not accepted it as a solution (Felden, 2011, p. 162).

Two more XBRL projects are worth mentioning, the Common Reporting (COREP) framework and the Financial Reporting (FINREP) framework, proscribed by the European Banking Authority (EBA), the official supervisory body, which represent the new European reporting frameworks for harmonizing supervision and reporting for regulated institutions (Accenture, 2015, p.3).

Table 1 Member countries of XBRL Europe and XBRL International

<i>XBRL Europe</i>	<i>XBRL International - jurisdictions</i>	
XBRL Interantional	IFRS	XBRL Korea
XBRL Luxembourg	XBRL Belgium	XBRL Luxembourg
XBRL Netherlands	XBRL Canada	XBRL Netherlands
XBRL Spain	XBRL China	XBRL Russia
XBRL Germany	XBRL Denmark	XBRL South Africa
XBRL France	XBRL Europe – as an affiliation	XBRL Spain
XBRL Italy	XBRL Finland	XBRL Sweden
XBRL Belgium	XBRL France	XBRL Switzerland
XBRL Denmark	XBRL Germany	XBRL Turkey
XBRL United Kingdom	XBRL France	XBRL UAE
XBRL Sweden	XBRL India	XBRL US
XBRL Finland	XBRL Italy	XBRL UK
	XBRL Ireland	XBRL Japan

Source: Authors

Table 1 shows an overview of all members of XBRL International and XBRL Europe in 2016. The members of XBRL International are, in fact, established jurisdictions that are representatives of their own countries, and their task is to work on the adaptation of standards in companies, on the development of taxonomies, to provide training and supply any other help. Each of the established jurisdictions has some special tasks which are in accordance with rues in force in certain countries (XBRL International, 2016).

4.2. A comparative overview of implementation of XBRL in the neighbouring countries

Based on available data, the following section gives an overview of the implementation process in the Republic of Croatia, Republic of Montenegro and Republic of Slovenia.

Implementation of XBRL in the Republic of Croatia

The current use of XBRL standards in Croatia is at a very high level, as, like in Serbia, there is no obligation to apply the standard, nor are there current projects that would present its functioning in real life. Only the Central Bank of Croatia uses COREP and XBRL in reporting to EBA. COREP is used quarterly for supervision of credit institutions, which functions so that they forward reports to the Central Bank in XML standard with the use of Excel, and the latter extracts the required data and converts them to XBRL format.

The Croatian Agency for Supervision of Financial Services (HANFA) is also considering the use of the XBRL standard, although in accordance with the same principle as the above mentioned example, because resources and time are saved in this way. Apart from these two examples, no use of the standard is recorded, apart from a few companies that are trying to promote it, mostly by organizing courses on this subject (Gostimir, 2015, p.37)

Implementation of XBRL in the Republic of Montenegro

Having reviewed the relevant accounting legislation of Montenegro, we obtain the information that, although there is an obligation to submit reports in hard copy or electronic format to appropriate institutions, the legislation does not recognize the importance of standardization of financial reporting for the needs of information exchange. This means that companies are forced to forward

these reports to a large number of different bodies, which definitely requires additional resources.

A key role in the implementation should be played by professional organizations and the state, which should implement all accounting legislation. Also, it is not clearly determined who has the right and obligation to implement international professional regulations, which consequently means lack of supervision and control of professional accounts.

It is necessary for professional accounting organizations and regulatory bodies to initiate a large number of activities for electronic book-keeping and submitting financial statements. The state must take over the greatest responsibility in the entire process, including raising awareness of the importance of XBRL (Martić, 2015, p. 289).

Implementation of XBRL in the Republic of Slovenia

Although both Slovenia and Croatia are members of the EU, it seems that not much is being done in these countries when it comes to XBRL. Slovenia uses the Common Reporting (COREP) and the Financial Reporting (FINREP) frameworks for financial reporting.

Although the professional literature in this area is extremely scarce for all neighbouring countries, it is noticeable that reports are submitted in electronic format as .pdf documents, Excel or Word documents, whereas reporting in accordance with the XBRL standard is not used although there is a potential for its implementation in the future. If some of the documents are compiled in accordance with the standard, they are not publically available (IFRS, 2015, p.1)

Slovenia definitely lags behind other EU member countries in the application of the standards. The first step was made in 2004, when Slovenia signed a letter of intent with XBRL Europe, but nothing has been done yet in this area apart from a few well-intentioned proposals. It would be necessary to establish national jurisdiction at the state level first, and then form XBRL taxonomies and support everything with an appropriate software solution which is in compliance with the XBRL standard (Dolinšek, 2015, p. 63)

Implementation of XBRL in the Republic of Macedonia

The Republic of Macedonia is a neighbouring country that started preparatory activities for the application of XBRL standard. Although jurisdiction has not been established, it is planned for

XBRL to be implemented by regulatory bodies, and the Government of Macedonia is the carrier of this project (XBRL The Business Reporting Standard, N/D).

Table 2 Comparative overview of implementation of XBRL (the authors' presentation)

Criteria	Countries				
	Republic of Serbia	Republic of Croatia	Republic of Montenegro	Republic of Slovenia	Republic of Macedonia
Awareness of the need for implementation	There is awareness about the need for standardization of financial reporting particularly by professional organizations	There is awareness about the need for standardization of financial reporting using XBRL	Legislation does not recognize the importance of standardization	There is awareness about the need for standardization of financial reporting using XBRL	There is awareness about the need for standardization of financial reporting using XBRL
Preparatory activities	There are no preparatory activities	There is no obligation to apply the standard even though there are a few examples of its use	There is no preparatory activities	Preparatory activities in plan from 2004.	Preparatory activities has started
In projects taken by XBRL Europe	Republic of Serbia is not a part of any project recommended by XBRL Europe	Not part of any project (according to available literature)	Not part of any project (according to available literature)	In project from 2004.	Not part of any project (according to available literature)
Legal support for XBRL implementation	There is no legal support	There is no legal support	There is no legal support	There is no legal support	Government of Macedonia is the carrier of the project of XBRL implementation by regulatory bodies
Support of professional organizations	There is a support of professional organizations for standardization and change/improvement of accounting acts	There is a support of professional organizations for standardization	There is a support of professional organizations for standardization	There is a support of professional organizations for standardization	There is a support of professional organizations for standardization

Source: Authors

Based on a comparative overview given in the table, we can conclude that the situation regarding the implementation of the XBRL standard in all listed countries, except not as significant differences, is very similar. Also, the steps in the implementation of the XBRL in the world have similarities and mandatory elements. With that in mind, we consider that the steps in the implementation of standards in our country would not be significantly different from those in neighbouring countries, especially as starting points of each are very similar. Some of the unavoidable steps of implementation are legislative, support of professional organizations, the development of taxonomy, mandatory application for a particular circle of companies, creation of software support etc.

5. Proposal for implementation of XBRL in Serbia – how to choose the appropriate XBRL solution?

“Financial statements should contain comprehensible, relevant, reliable and objective information. This information has multiple benefits for the existing and potential investors, creditors, business partners and other economic and public actors, and represents a basis for competent decision making. Also, comparability of financial statements of companies, which participate on financial markets, presents a key prerequisite for establishing and maintaining fair competition. Enhancing the quality of financial statement through adopting best international practices is a process occurring in the most developed market economies and financial systems as well, and, at the same time, presents a challenge which is set before regulatory bodies and the accounting profession.” (Draft National Strategy for Improving the Quality of Corporate Financial Reporting and Auditing, 2011, p.1).

This quotation is a part of the Draft National Strategy for Improving the Quality of Corporate Financial Reporting and Auditing for the period from 2011 till 2020. If we read it closely, we will notice that the demands are set before all entities under obligation to submit financial statements in accordance with all benefits provided by reporting in accordance with the XBRL standard. The XBRL standard is mentioned in the Draft only in the section on harmonization and incorporating in the subordinate legislation in the domain of supervision of banks and external financial reporting, that is, in the article on banks’ financial reporting.

Neither the Draft nor the Accounting Law (published in Issue 62/2013 of the Official Gazette of the Republic of Serbia), when mentioning that the quality enhancement processes are also conducted in the most developed market economies and economic systems, is it mentioned that the majority thereof must use the XBRL standard for financial reporting (America, Asia, all EU countries, Japan etc.).

COREP and FINREP frameworks for financial statements, as XBRL projects, are mentioned in the Draft also only in the section on banks’ financial reporting in terms of analysis and accepting EU recommendations for their use.

Reading both the Draft National Strategy for Improving the Quality of Corporate Financial Reporting and Auditing and the Accounting Law, one gets the impression that the state of Serbia, i.e. its official bodies, still have more other problems to resolve in relation to accounting and auditing, and always new demands and new rules occur, preventing the legislator from devoting attention both to the XBRL standard and the possibility of its implementation.

Our country also has the National Accounting Software Standard – RSS 33, revised in 2008, whose objective is to “set the guidelines on procedures to be conducted when introducing and operating the accounting software in the enterprise/organisation during both internal and external audit, so that bookkeeping records and financial reports meet the requirements of the Accounting Law, adopted International Accounting Standards and International Auditing Standards in the Republic of Serbia”. (National Accounting Software Standard, 2008, p.2).

Reading this document, one gets the impression that reporting in compliance with the XBRL standard can be fitted with all the points regarding the requirements that users and producers of accounting software should meet. This is another argument in favour of implementation of XBRL in Serbia.

If this should possibly happen, the following mistakes should be avoided when choosing appropriate software (VentanaResearch, 2008, p.3):

1. Internal software development, unless a company has a good informatics sector which is also very successful. In the opposite case, this job should be delegated to a third party because it almost always turns out to be more cost-effective.
2. The producer’s claim that their product is “integrated” should be analysed carefully.

A system that is really integrated must have several compulsory components, including a central database, integration with source data etc.

3. The assessment of the available option should not be delayed. This will protect you from unnecessary delays or bringing inadequate information.

Furthermore, an integrated solution has the following characteristics (VentanaResearch, 2008, p.9):

- central data repository,
- tight integration with the source data,
- ability to gather data from the repository into appropriate files in all the necessary output format, such as Microsoft Word, Adobe .pdf and XBRL,
- defined manner of work for process management,
- security and possibility of revision.

Figure 4 gives the answer to the question how companies can submit their financial statements using the XBRL reporting standard.

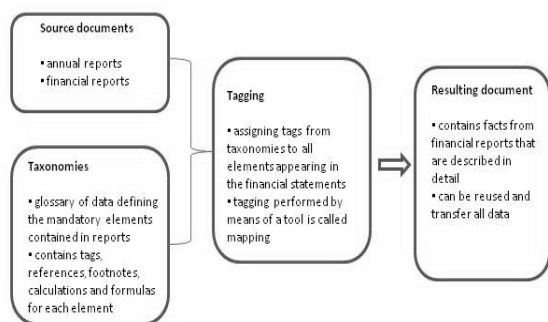


Figure 4 How companies create documents in accordance with the XBRL financial reporting mode
Source: Ying Mei, 2013

The following is of key importance for an appropriate beginning of the introduction of XBRL (Martić, 2013, p.117):

1. Never lose focus of the basic aim of introducing XBRL, which is efficient presentation of reports to investors and stakeholders. Although the tagging process is mechanical, the company must invest great effort into the way it performs tagging. This process is best done internally, by the financial department.
2. From the beginning, the financial department must be ready for the fact that tagging

is a process rather than a quarterly or annual project. It is considered to give the best results, and that value grows in the forthcoming years, as the number of tagged data grows.

3. When it comes to the tagging process, there are two basic approaches to implementation. The first, which represents some kind of superstructure of the tagging process on prepared reports (“bolt-on” approach), and the other, which is integrating the tagging process into the report creation process. Experience has shown that the integrated approach is more appropriate primarily because it reduces the possibility of errors, and also enables greater control of the entire process (VentanaResearch, 2008, p.4)

As for economic entities that adopt XBRL first, it is noticeable that the XBRL standard was first adopted by regulatory agencies, predominantly financial institutions (stock exchanges, commissions for securities, tax authorities etc.), which is understandable in view of the large amount of financial statements that they process. Later on, the standard is adopted by various business organizations, software producers, investors and analysts. It is prominent that there are various agencies at the state level encouraging the implementation of XBRL, and after that supervisory and regulatory agencies take over a significant role in introducing XBRL because they control a large number of business entities.

Figure 5 shows a possible way of implementing the XBRL standard in Serbia.

I stage	II stage	III stage
<ul style="list-style-type: none"> • analysis of the current reporting environment and the form of submitting financial reports • formation of a national XBRL jurisdiction • Active role of the Central Bank of Serbia • impose the compulsory use of XBRL standard on a certain circle of companies 	<ul style="list-style-type: none"> • development of pilot projects that will test the chosen companies • inclusion of XBRL into national legislation • support of professional organizations for accounting • defining all the important milestones in the stages of development and application of XBRL 	<ul style="list-style-type: none"> • development of national taxonomies • defining deadlines for presenting taxonomies • defining the manner of application of taxonomies • decisions on deadlines for compulsory application of XBRL taxonomies for individual types of economic entities • development of software solutions supporting XBRL

Figure 5 Possible stages of implementing XBRL in Serbia
Source: adapted – Gostimir, 2015, p. 39

It must be pointed out that the road from the recognition of the importance of introducing the XBRL standard, through its compulsory character and development of taxonomies, to implementa-

tion is extremely long and bumpy, which can by no means be an excuse for giving up, bearing in mind that reporting in compliance with XBRL standard is becoming a standard which will soon be unavoidable.

Conclusion

The answer to the questions why countries and companies should start with the application of XBRL reporting standard on a voluntary basis could be that it is becoming fairly certain that there will come a time when the application of standards will become compulsory, so that it is much easier to be ready for such a scenario if we have initiated this process.

It is a fact that state support is required on this pathway, which is very difficult if it still has not realised the benefits of implementation or simply because due to the complexity of this task and many other unresolved questions related to accounting and auditing it is unable to devote efforts to this task.

Analysing the processes of implementation in the neighbouring countries, which all started from the same basis, we reach a conclusion that the situation in none of the countries is much better, and that we share a large number of common problems. The importance of the state is prominent in all research to date as the key to initiating the implementation process, so that the national legislation points out that the work on a higher quality of financial reporting is, in the broadest sense of the word, responsibility of the state.

So, we can conclude that the answer to the question posed in the introductory part of the paper could be that models for XBRL implementation do not differ significantly in less developed countries, and that further research into this topic could bring a unique model applicable to all the less developed countries of the region.

It must be noted that the conclusion was based on the reading of the available literature, which is scarce in this area. **SM**

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