

XBRL gets global Push

Being dubbed as a crucial development in global financial reporting, the Extensible Business Reporting Language (XBRL) is getting a new push from several world bodies. The European Commission is, in fact, awarding a one million Euro grant to increase awareness and for adoption of XBRL throughout Europe.

XBRL is a cutting-edge technology standard that enables faster and more cost-efficient electronic exchange of information.

The European Commission and the International Accounting Standards Board have come together to organize the 10th XBRL International Conference titled "Financial Reporting Goes Global: XBRL and IFRS Working Together," from November 15 to November 17, 2004 in Brussels.

Meanwhile, **XBRL-US** has also announced that it is confident that US Securities and Exchange Commission (SEC) programme to assess the benefits of data tagged with XBRL will demonstrate that adoption of XBRL will bring broad benefits.

"Companies, markets and investors will benefit from improving the timeliness and accuracy of corporate reporting and simplifying analysis of SEC filings," said Eric E. Cohen, chair of the XBRL-US Steering Committee.

"We applaud the SEC's initiative to leverage this private sector collaboration consisting of companies, financial data providers, accounting firms, standard setters, investors and all participants in the business information supply chain."

Robert H Herz, Chairman of the Financial Accounting Standards Board (FASB) recently said: "FASB supports the SEC's program to assess the potential benefits of XBRL as a new and powerful medium for increasing the usability of financial information and believes that it will help enhance and modernise US financial reporting.

Trevor Harris, Head of the Global Valuation and Accounting Group in Research at Morgan Stanley has pointed out that it is by no means only the regulators that benefit. "Investors have a continuing need for more timely and more accurate information that they can integrate into their own analyses. As we move our own analytical framework to work with XBRL the disclosures of any company when delivered in XBRL are intrinsically of greater timeliness, interest and value to investors.

(Source: www.IFAC.org)

RBI tightens banks' NPA norms on state-backed exposures

The Reserve Bank of India (RBI) has delinked the requirement of invocation of state government guarantee for deciding the asset classification and provisioning requirements. It has also revised norms in respect of the banks' exposures to loans and advances, and investments, which are backed by state guarantee.

At present, asset classification and provisioning requirements in respect of state guaranteed exposures are linked to invocation of the state's guarantee. The revised norms will put to test the states' ability in servicing such debt. This will also be tougher for lenders. The idea is to insulate the banking system from the risks associated in taking up such exposures.

As per revised norms, for the year ending March 31, 2005, a state guaranteed advance shall be classified as 'substandard' or 'doubtful' or 'loss', if interest and/or principal or any other amount due to the bank remains overdue for more than 180 days and attract appropriate provisioning norms. While, with effect from the year ending March 31, 2006, it would be given such a classification if any amount due to the bank remains overdue for more than 90 days. The same asset classification norms will be valid for banks' investments in state guaranteed papers, which are in the nature of 'deemed advance'. Investment in state-backed papers of government undertakings will attract risk weight of 2.5% for market risk.

(Source: www.expressindia.com)

Pension Fund giants enter India

After the much-hyped entry of US pension fund behemoth CalPERS in India, it's now the turn of UN Joint Staff Pension Fund (UNJSPF) to enter the country. UNJSPF is one of the world's largest funds. It manages assets worth nearly \$26 billion (Rs 1,20,000 crore).

The Securities and Exchange Board of India (SEBI) has granted registration to it. Along with UNJSPF, two other funds — Missouri Teachers' Fund and Missouri Non-teachers' Fund — got the SEBI registration to operate as a foreign institutional investor (FII) in India. The three new FIIs together have assets under management of around \$75 billion (almost Rs 350,000 crore). Besides UNJSP, seven more FIIs have registered with SEBI in August alone. These are the Calidonia Investment Plc., Frank Russell Trust Company, Commingled Employee Benefit Funds Trust, Marshall Wace LLP, Planetary Fund Plc., Fidelity International Investment Advisors, Rabo Bank Ireland Plc., US Allainz Variable Insurance Products Trust.

(Source: *Indian Express*)