

XBRL costs for small reporting companies have declined 45% since 2014.



The AICPA and XBRL US regenerated a pricing study originally conducted in 2014 to assess the true cost of XBRL formatting for small reporting companies. The 2018 study was based on annual costs of XBRL preparation in 2017. The average price of XBRL preparation in 2017 was \$5,476 per year, a 45% decline from the average cost in 2014, which was \$10,000 per year.

Extensible Business Reporting Language (XBRL) is a global data standard used for reporting business information in a computer-readable format. The Securities and Exchange Commission (SEC) mandated the reporting of public company financials in XBRL format, starting in 2009, to make financial information easier for investors to analyze, and to assist in automating regulatory filings and business information processing. To meet their requirements, many companies (especially smaller companies that do not have extensive resources) have outsourced their creation and filing process, incurring additional costs.

To understand the true costs of small companies complying with the SEC's mandate, and to gauge the pricing trend, XBRL US and the AICPA updated their cost study initially developed in 2014, and surveyed XBRL filing agents that provide XBRL tagging and filing services to small public companies. The 2018 study is based on price data from 1,032 small reporting companies, across 13 filing agents or service providers for 2017 services.

The survey showed that 68.6% of the companies paid \$5,500 or less on an annual basis (as compared to 29.9% of companies in the 2014 survey) for fully outsourced creation and filing solutions for their XBRL filings. Meanwhile,

11.8% of the companies paid annual costs between \$5,500 to as much as \$8,000 for their full service outsourced solutions. Only 13.1% of companies paid more than \$10,000 in annual costs as compared to 31% in the 2014 survey. The highest annual amount paid in 2017 was \$51,500, paid by one company; the next highest cost was \$38,800. The median cost of filing was \$2,500, down 69% from the 2014 median of \$8,000 per year.

Through discussions with vendors, we found that companies that paid higher annual fees did so due to complexities in their financial statements and rush charges imposed given last-minute changes to the filings. Charts illustrating this information, with comparisons to the 2014 original study and in a more in-depth manner, are on page 2 of this report.

These results demonstrate that the investment made to standardize corporate disclosure data is not overly burdensome on small companies. They also show that the process has become more efficient, allowing vendors to price more competitively over time. Companies using XBRL benefit due to their ability to reach more investors and provide analysts with easy access to more detailed financial disclosure information.

Chart 1: Percentage of small company filers (pay annual costs of the amounts shown in thousands)

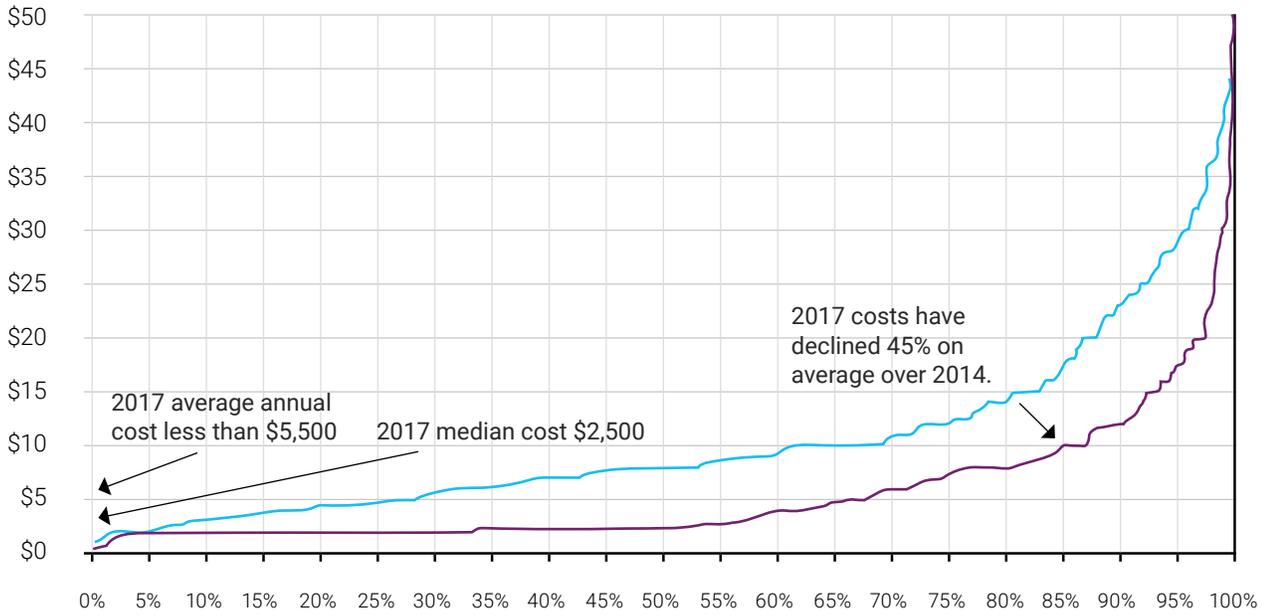


Chart 2: Number of small companies by annual XBRL cost range 2017 versus 2014 study

