XBRL FOR E-FILING IN THE **SAUDI STOCK EXCHANGE (TADAWUL)**

Saudi Exchange, Saudi Arabia

Region:
Middle East

Sector:
Stock Exchange

OVERVIEW

The Saudi Stock Exchange (TADAWUL) received approval for its formation on March 19, 2007, from the Council of Ministers.

The objectives of TADAWUL are to:

- Ensure market integrity, quality, and fairness
- Support investor education and awareness efforts
- Develop service excellence for customers (brokers, issuers, investors, vendors etc.)
- Develop the exchange's capabilities and competencies

The vision of TADAWUL is to be an integrated financial exchange that fosters the development of a diverse Saudi capital market and competes internationally. The mission of TADAWUL is to offer sound, efficient and attractive capital market products and services that deliver superior value to market participants and builds stakeholder awareness.



THE CHALLENGE

TADAWUL embarked on an ambitious XBRL-based project with the following objectives:

1. To improve transparency of the Saudi capital market for investors and for analytical purposes.
2. To allow TADAWUL to generate revenue from this valuable information set.
3. To upgrade the current SACP application to the supported version and allow data transmission under XBRL.
4. To enhance SACP functionalities.

THE SOLUTION

The taxonomy and implemented reporting platform use IFRS and Saudi local accounting laws. XBRL is used as the enabling reporting standard for companies listed on TADAWUL.

The filing platform has been built using IRIS iFILE, which has been adopted successfully by various jurisdictions around the world. To plan for a successful implementation, IRIS studied the reports filed by companies (quarterly and annual) to TADAWUL. Studies were conducted to understand the local reporting requirements and how they differed from IFRS reporting standards. The existing platform, SACP (Saudi Arabian Corporate Profiler) of TADAWUL, was analyzed and IRIS came up with the proposed platform. IRIS utilized the expertise of EY (Saudi Arabia) in an advisory role during the design phase of the taxonomy.

TADAWUL Taxonomy

Taxonomy is the core of any XBRL-based project. The TADAWUL financial report taxonomy architecture is based on the IFRS Taxonomy and Saudi GAAP architecture. The new Saudi taxonomy, catering to different industries, was categorized into 3 segments: Banks, Insurance and Saudi Joint Stock. The taxonomies were developed using IFRS and Saudi Accounting Practices as the base, adding elements as per regulatory requirements.

Each sector has a separate entry point. There are more than five thousand elements in the taxonomy. The taxonomy was reviewed by various regulatory bodies of Saudi Arabia, including, SAMA, SOCPA and CMA, to name a few.

The taxonomy, originally built on Saudi GAAP and IFRS and since upgraded to IFRS as endorsed in Saudi Arabia, includes a dynamic Corporate Announcement Taxonomy.

TADAWUL Filing Platform

The platform gives every company listed on TADAWUL's Main Market and Nomu (Parallel Market) one secure channel for submitting financial statements and disclosures. It covers the whole disclosure lifecycle in one place: preparation, internal approval, validation, regulatory review and publication on TADAWUL's website.

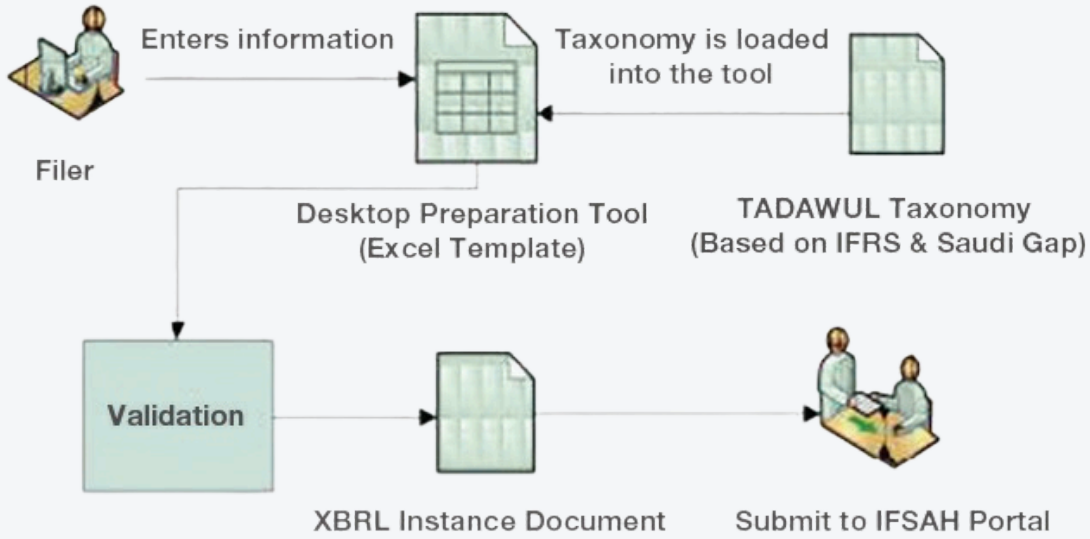
How a filing moves through the platform:

1. Preparation and internal approval: Each filing starts inside the company. A maker prepares it, and a checker from the same company reviews and approves it before it is submitted. This keeps accountability with the company before anything reaches the exchange.

2. **Validation**: On submission, the filing is checked against XBRL and TADAWUL business rules.

3. **Workflow by filing type:** Financial statements go to the regulator for review and approval. Disclosures and corporate announcements follow their own workflows. Once approved, they are published directly on the website.

4. **Publication:** Once approved, filings are published on TADAWUL's website automatically. Financial statements appear in HTML and PDF. For each disclosure or corporate announcement, the key details are extracted and shown in a consistent, structured format.



Key capabilities:

- **Maker-checker approval**: the submitting company prepares and approves each filing internally before it moves to the exchange.
- **Dedicated workflows**: financial statements and disclosures or corporate announcements each have their own review, approval and publication path.
- **Dynamically generated corporate announcements**: announcements have moved from a taxonomy-based model to dynamically generated forms. TADAWUL business users design and update each announcement's layout themselves, companies submit their data in that layout, and the underlying workflow stays the same.
- **Bilingual filing**: companies can file in English or Arabic.
- **Automated publication**: approved financial statements are published as HTML and PDF, and announcement details are published in a defined format.
- **Built-in validation**: XBRL and business-rule checks run on every filing before it goes forward for review.
- **Administration**: business users manage entities, users, workflows, approvals and rejections within the platform.
- **Summary elements**: a snapshot of each company's financials is generated automatically from its detailed financial report.
- **Data replication**: data is replicated between the primary and DR servers.

BENEFITS AND IMPACT

Investment Community:
This initiative by TADAWUL provided the investment community (like financial institutions and investors) with the opportunity to easily search and download verified information about the companies for further analysis. Since the data is in XBRL format, it can be consumed easily by their internal systems. The resulting transparency and accuracy helped gain the trust of the investment community. The major objective was to make financial data available to investors: clean, transparent and comparable due to XBRL.

MF, Bond and Asset Manager:
This solution will help MF companies and Asset Managers to submit various details related to the Fund. Listed as well as unlisted companies can issue bonds and submit related details. Bond details can be linked with the company and all the bonds issued by a company can be tracked. Corporate actions are brought in by regulator as part of the filing requirements in XBRL based filing platform.

Stock Exchange:
TADAWUL was given the ability to customize the validation rules applied to the financial information submitted by the listed companies. This reduced the burden of collection, verification and analysis of data by the exchange and allowed it to reallocate resources. It also allows TADAWUL to generate revenue from the collected data. The platform supports IPO and FPO processes, and has automatic ratio calculation, report generation, and linking price charts with corporate announcements. It automatically generates summary items.

Risk Management:
The platform has been developed in compliance with TADAWUL's risk policies and has gone through penetration testing by McAfee. The platform has separate modules dedicated for risk management. It has access control, forms management, user management, company management and password policy definition page and dual approval process which ensures a robust and secure application.

ABOUT SAUDI EXCHANGE

Saudi Exchange, a wholly owned subsidiary of Saudi Tadawul Group, is the securities exchange of the Kingdom of Saudi Arabia. It provides listing and trading services and is the official source of market information, while clearing and depository services are provided by group companies Muqassa and Edaa. Tadawul was originally established as a joint stock company following Council of Ministers approval on March 19, 2007.

ABOUT IFILE EDGE

iFILE Edge is a ready-to-use disclosure management platform from IRIS RegTech Solutions, built for stock exchanges and capital market authorities with up to 300 regulated entities. Available in cloud and on-premises, it helps markets manage filings and disclosures in one system, from submission and validation to review, approval, and publication. Business-rule, XBRL and completeness checks run as each filing arrives; a filing calendar tracks the deadline for every return and disclosure, and every step is recorded in an audit trail. iFILE Edge is pre-configured, so there is nothing to build from scratch, and it comes in two packages, Standard and Premium, each with a defined scope and price. It is built on iFILE, the IRIS filing platform used by more than 30 regulators in over 15 countries.

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