

XBRL Advisory Council (XAC)

Terms of reference and operating procedures

Approved by the IFRS Foundation Trustees in Rome, Italy on 29 January 2008 and revised by the IFRS Foundation Trustees on 7 October 2009.

I Objectives and scope of activities

- 1 The primary objective of the XBRL Advisory Council (XAC) of the IFRS Foundation is to provide strategic advice related to the Foundation's XBRL activities, including the development and adoption of XBRL taxonomies for International Financial Reporting Standards (IFRSs).

The XAC will provide a forum where the IFRS Foundation's XBRL team is able to consult individuals, and representatives of organisations affected by its work, that are committed to the development of high quality IFRS taxonomies. As part of that consultative process the XAC gives advice to the IFRS Foundation's XBRL team on a range of issues which includes, but is not limited to, the following:

- input on the Taxonomy architecture;
 - input on the IFRS Foundation XBRL team project timetable (work programme) including project priorities, and consultation on any changes in strategy plan and priorities; and
 - advice on projects, with particular emphasis on practical application and implementation issues, including adoption and implementation by stakeholders, convergence with US-GAAP, Japan and the impact of XBRL taxonomies.
- 2 The secondary objective of the XAC is to support the XBRL team in the adoption and implementation of the Taxonomy throughout the world. This may include the publishing of articles supportive of XBRL with the IFRSs, and addressing public meetings on the same subject. Any such views expressed are accepted as personal and should not be regarded as the opinions of the XAC. This objective does not preclude XAC members from independent critical analysis of the work of the XBRL team to assist better understanding of issues and solutions.

II Composition and membership

- 3 The XAC is composed of individuals, or representatives of organisations, interested in the development of high quality IFRS taxonomies. The membership provides for a broad geographical spread and a range of functional backgrounds that include members drawn from preparers and issuers, financial analysts, software vendors, supervisors and regulators, academics, retail investors and professional accounting bodies. Appointed observer status may also be granted by the Trustees to other bodies and organisations that are influential in the global financial community.
- 4 The Due Process Oversight Committee of the Trustees considers nominations and, where applicable, their origins and/or the organisations that may be represented, to determine whether nominee associations and individuals are suitable for membership and to ensure a broad geographical spread and a range of functional backgrounds.
- 5 The XAC is a long-standing body. However, inaugural members were appointed in early 2008 for an initial term ending on 31 December 2010. Thereafter, and depending upon the need to maintain a proper balance and for continuity, members may be asked to remain for a further period of up to three years. A maximum period of service of six years is permitted.
- 6 In the interests of retaining an active and engaged membership, individuals who do not participate in three consecutive meetings or conference calls may be asked by the Director of XBRL Activities and the Chairman of the XAC to stand down from the XAC.
- 7 The Trustees appoint members to the XAC in an individual or representative capacity, and at XAC meetings members are expected to express their individual views unless it is explicitly stated that they are the opinions of the organisations they represent. No sourcing record is made of organisational or individual views in the XAC minutes. In adopting this convention the XAC is mindful that discussion at an XAC meeting may often be free-ranging and an individual's contribution might be unduly hampered if reference had to be made back to an organisation before a view was expressed at the meeting. XAC members are free to table written materials for circulation, prior to the meeting, should they wish.

III Chairman

- 8 The Chairman of the XAC is appointed by the Trustees from nominations submitted by the XAC. The inaugural term of office of the Chairman ends on 31 December 2010. Thereafter, the Chairman of the XAC may be asked to remain for a further period of three years. A maximum term of six years is permitted.

- 9 The Chairman provides leadership to the XAC in ensuring that the IFRS Foundation and its XBRL team receive timely and effective input that contributes to the development of a high quality taxonomy enjoying broad acceptance and support. To achieve this objective, the Chairman actively monitors the progress of the XBRL team work programme, projects and priorities and works closely with the Director of XBRL Activities to identify, on a timely basis, matters on which the XAC's advice should be sought. Specifically, the duties of the Chairman include, but are not limited to, the following:
- working with the Director of XBRL Activities and the Trustees of the IFRS Foundation to ensure the preparation of timely and appropriate materials to facilitate the conduct of the XAC meetings;
 - conducting meetings of the XAC;
 - reviewing the draft minutes of XAC meetings before distribution to members;
 - preparing the draft Agenda together with the Director of XBRL Activities;
 - acting as the liaison between the XAC, the IASB and the Trustees;
 - keeping abreast of developments within the XBRL team and informing members of the XAC of these matters, if considered necessary, between meetings;
 - assisting the Trustees in the identification of new members of the XAC;
 - briefing new members of the XAC on its operations and their role and responsibilities;
 - assisting the Director of XBRL Activities in promoting the adoption of the Taxonomy throughout the world; and
 - at the request of the Trustees, attending and participating in the Trustees' meetings.

IV Operating procedures

- 10 In order to ensure that the XAC operates efficiently and effectively the following operating procedures are adopted.

Meeting details

- 11 XAC members are expected to attend two one-day meetings a year, usually in London, and to participate in four one-hour telephone discussion a year, but additional meetings may be convened at the request of the Chairman.
- 12 The IFRS Foundation Director of XBRL Activities and XBRL team staff who are responsible for items on the XAC meeting agenda are required to attend XAC meetings.
- 13 Administrative support for the meetings, as well as the recording of the minutes, is the responsibility of a designated member of the XBRL team.
- 14 The meetings of the XAC are open to the public except for administrative items, which are dealt with in closed session.

Meeting agenda and papers

- 15 The Director of XBRL Activities and Chairman are responsible for preparing the agenda for each meeting in consultation with the Chairman. All XAC members are encouraged to submit to the Director of XBRL Activities items for consideration for inclusion in the agenda in advance of the meeting date and in accordance with the timing determined by the Chairman.
- 16 Written materials supporting XAC agenda items are provided before each meeting. A briefing paper highlighting those issues on which specific guidance is sought from the XAC is usually prepared for each item on the agenda. The extent of the supporting documentation is dependent on the complexity of the issues involved and the need for XAC members to be adequately briefed. The following should be the norms for distribution of material to XAC members:
- minutes of each meeting/discussion are distributed to XAC members within thirty days following each XAC (or subcommittee of XAC) meeting;
 - the agenda for each XAC meeting/discussion, including a brief description of each agenda item, is distributed to XAC members at least seven days before each XAC meeting /discussion; and
 - all detailed agenda papers are distributed to XAC members at least seven days before each XAC meeting.
- 17 All meeting papers, except for those related to administrative or closed items, are available to observers and the public.

Conduct of meetings

- 18 The conduct of technology topics is generally prefaced by an introduction of the topic by the Director of XBRL Activities or staff, and may include papers prepared and/or delivered by XAC members and/or XBRL team staff.

The extent of these briefings is dependent on the complexity of the topic. At the meeting members are invited to comment on the questions raised by the XBRL team or any other related matters.

- 19 The XAC operates using consensus decision-making. A consensus is reached when all participants present at the meeting are reasonably satisfied with or have no strong objections to a proposal or action and will support the decision. If consensus is not achieved, each dissenter shall present their concerns on the proposal. The proposal may then be amended, re-phrased or ridered. The process shall then return to the call for consensus and the cycle shall be repeated until a satisfactory decision is made.
- 20 If consensus cannot be reached with reasonable time and effort, the Chairman of the XAC and the XBRL team may postpone a decision or develop an alternative proposal to achieve consensus or send the proposal to the Trustees for consideration.

Subcommittees

- 21 In order to improve the quality of comment submitted to the XBRL team on a specialised topic, the Director of XBRL Activities may call for the establishment of a subcommittee of knowledgeable XAC members to provide expert comment. This subcommittee shall report to the XAC, which in turn presents its views to the XBRL team.

V Travel and accommodation costs

- 22 Members of the XAC or the organisations they represent meet their own travel and accommodation costs.

VI Approval and changes

- 23 The Trustees have approved the terms of reference and operating procedures and any changes thereto require their concurrence.