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## IASB<sup>®</sup> meeting

Date	<b>October 2022</b>
Project	<b>IFRS Taxonomy</b>
Topic	<b>IFRS Taxonomy due process</b>
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This paper has been prepared for discussion at a public meeting of the International Accounting Standards Board (IASB). This paper does not represent the views of the IASB or any individual IASB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS<sup>®</sup> Accounting Standards. The IASB's technical decisions are made in public and are reported in the IASB *Update*.

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## Purpose of this paper

1. This paper seeks the IASB's permission to shorten the comment period for the Proposed IFRS Accounting Taxonomy Update for the amendments arising from:
  - (a) *Lease Liability in a Sale and Leaseback*, which amends IFRS 16 *Leases*; and
  - (b) *Non-current Liabilities with Covenants*, which amends IAS 1 *Presentation of Financial Statements* (collectively "amendments").
2. The staff has prepared one Proposed IFRS Accounting Taxonomy Update for these amendments because these are narrow-scope amendments and there is no significant impact on the Taxonomy arising from these amendments.

## Comment period for the Proposed IFRS Accounting Taxonomy Update

3. The IFRS Taxonomy due process normally requires a 60-day comment period for public consultation on Proposed IFRS Accounting Taxonomy Updates. However, it allows the IASB to shorten that period to 30 days if the matter is urgent or narrow in scope. The relevant paragraph from the Due Process Handbook has been provided below for reference.

A41 Proposed IFRS Taxonomy updates and, when prepared, proposed IFRS Taxonomy files are the subject of public consultation. The comment period will normally be at least 60 days. The comment period can be reduced, but not to less than 30 days, if the matter is urgent or narrow in scope:

- (a) for a proposed change that is narrow in scope, a reduced comment period does not need approval from the DPOC. For proposed content changes the Board or when appropriate the IFRS Taxonomy Review Panel can consider a comment period of no less than 30 days. For proposed technology changes, the technical staff can consider a comment period of no less than 30 days after consulting the ITCG.
- (b) for a proposed change that is not narrow in scope but urgent, a reduced comment period needs approval from the DPOC.

4. The IASB has published a narrow-scope amendment *Lease Liability in a Sale and Leaseback* (Amendments to IFRS 16) in September 2022. This amendment is expected to result in one additional IFRS Accounting Taxonomy element, which is consistent with established Taxonomy modelling practice.
5. The IASB is planning to publish a narrow-scope amendment *Non-current Liabilities with Covenants* (Amendments to IAS 1) in November 2022. Based on the drafting of requirements in the ballot draft for the Amendment to IAS 1, this amendment is expected to result in:
  - (a) one additional IFRS Accounting Taxonomy element, which is consistent with established Taxonomy modelling practice, and
  - (b) a further six IFRS Accounting Taxonomy elements, which would not require extensive consultation.

## Staff recommendation

6. The staff recommends a 30-day comment period for the Proposed IFRS Accounting Taxonomy Update for *Lease Liability in a Sale and Leaseback* and *Non-current Liabilities with Covenants* because:
  - (a) a short comment letter period will enable us to publish the final IFRS Accounting Taxonomy Update and incorporate the changes in the IFRS Accounting Taxonomy 2023—the annual IFRS Accounting Taxonomy reflects the IFRS Accounting Standards issued as at 1 January of the relevant year, and is scheduled to be issued around March each year; and
  - (b) the changes are narrow in scope—the Proposed IFRS Accounting Taxonomy Update will propose elements to the IFRS Accounting Taxonomy that would not require extensive consultation.

### Question 1

Does the IASB agree with the staff recommendation to shorten the comment period to 30 days for the Proposed IFRS Accounting Taxonomy Update for *Lease Liability in a Sale and Leaseback* and *Non-current Liabilities with Covenants*?