

Meeting note—IFRS® Taxonomy Consultative Group

The IFRS Taxonomy Consultative Group (ITCG) held a conference call on 11 July 2018.

This note, prepared by the staff of the IFRS Foundation, summarises that conference call. Related papers and a recording of the call are available on the [meeting page](#).

ITCG members continued their discussion from the April and June 2018 ITCG meetings on proposed changes to the IFRS Taxonomy that reflect the findings of an analysis of common reporting practice relating to disclosure requirements in IFRS 13 *Fair Value Measurement*.

Sensitivity of fair value measurement to changes in unobservable inputs

1. ITCG members continued their discussion on how to model the change in unobservable inputs used in the sensitivity analysis. At the April ITCG meeting, ITCG members expressed mixed views on the proposed modelling. At this meeting, the staff presented some alternative approaches and said they may seek feedback on some or all of these approaches in the Proposed IFRS Taxonomy Update. ITCG members provided the following comments:
 - a. one ITCG member expressed support for one of the suggested alternative approaches.
 - b. one ITCG member questioned why separate line items are needed for increases and decreases in unobservable inputs. The staff said they will consider this and provide clarification in the Proposed IFRS Taxonomy Update if needed.
 - c. one ITCG member questioned how users of the data would be able to link a change in an input with the corresponding effect on fair value, as these two items are tagged using different line items. The staff replied that the line items for the change in input and the effect on fair value would be linked by using the same member of the 'Unobservable inputs' axis for both. Both line items would also be included in the same table.
2. ITCG members discussed a new proposal—creating separate line items to distinguish between the effect on profit or loss and other comprehensive income *before tax* and *after tax* of a reasonably possible change in unobservable inputs. One ITCG member expressed support for this proposal, because it would remove ambiguity. There was no disagreement with the proposal.

Quantitative information about significant unobservable inputs used in fair value measurement

3. ITCG members continued their discussion on how to model the disclosure of significant unobservable inputs used in fair value measurement. The staff presented an updated proposal—changing the model so it uses a dimensional approach instead of using line items. The staff argued that the benefits of this approach, including easier consumption of extensions for users of the data, outweighed the costs—including the costs of re-tagging for preparers and the costs of re-mapping for users. Two ITCG members expressed support for this proposal.

One of these members said the re-tagging required as a result of this change would not be a major issue for preparers. There was no disagreement with the proposal.

Other proposed improvements

4. ITCG members discussed a new proposal—adding members for contingent consideration and derivatives to the existing ‘Classes of liabilities’ axis. One ITCG member expressed support for this proposal. There was no disagreement with the proposal.
5. ITCG members continued their discussion on the addition of line items for the separate disclosure of exchange differences in the reconciliation from opening to closing balance of fair value measurements. The staff presented their preferred approach, as well as an alternative approach. One ITCG member expressed support for the staff’s preferred approach. There was no disagreement with the proposal. One ITCG member said they would provide the staff with examples of how this disclosure is tagged in practice today, highlighting any issues.

Other comments

6. In response to a query from an ITCG member, the staff said they are developing a process for analysing XBRL filings submitted by filers in the US who apply IFRS Standards, with the aim of identifying potential areas for common practice analysis. The staff also encouraged ITCG members to inform them about any areas where, in ITCG members’ experience, common practice analysis may be useful.
7. In response to a query from an ITCG member, an SEC representative said that as of 9 July 2018, the SEC EDGAR system supports the IFRS Taxonomy 2018.
8. The staff encouraged ITCG members to sign up for the webinar introducing the IFRS Taxonomy 2018 on 12 July 2018. A recording of the webinar is available [here](#).