

IASB Speech

Welcome address at workshop for regulators on the IFRS Taxonomy

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Introduction

Good morning. My name is Takatsugu Ochi, a Board member with the IASB.

I am delighted to welcome you to the Asia-Oceania office of the IFRS Foundation. The Asia-Oceania office was established in October 2012. Since then, Mitushiro Takemura the office director, and IASB staff members have worked hard to contribute to the IASB's activities and to the Asian region.

I especially want to thank Alan Teixeira, Senior Technical Director of the IASB, who has devoted himself to the development of the Asia-Oceania Office from the view point of a technical contribution. Alan worked very hard to make the workshops take place in this office, which he organised and developed. So I would like to thank Alan for making it happen today.

This week we host two important workshops. And we have invited distinguished guests in person as well as attendance over the video from various jurisdictions.

Today our focus is on electronic filing. Later this week we have a two-day workshop with standard-setters. Mitsuhiro and I want to make sure that your time here is both productive and enjoyable.

Electronic filing project

Let me begin by telling you about a project being undertaken in this office that we think is important to regulators.

We are very proud of the fact that IFRS has become so widely adopted. 130 countries require or permit the use of IFRS for domestic publicly accountable entities. But it is also important that we

ensure investors are able to access it. Access to information is essential to having transparent, accountable and efficient financial markets.

Regulators and stock exchanges understand this need and have filing requirements that make sure general purpose financial reports are made available to investors in a timely manner. Most jurisdictions set time limits for financial reports to be put into the public domain. And they have filing requirements to make sure that investors have easy and fair access to the financial statements.

The IFRS Foundation is working to compile information about filing requirements across the world, including information about structured electronic filing and XBRL-related projects. We have found that the majority of jurisdictions surveyed so far require that IFRS financial statements must be filed with a securities regulator. It is also common for entities to be required to file with a company register and, for listed entities, with stock exchanges. The time given for a company to file varies, ranging from 45 days to 9 months and 42 days.

Here in Japan listed companies are required to file the audited financial statements with the Financial Services Agency within three months of the balance sheet date and they must disclose annual earnings reports with the Japan Exchange Group within 45 days after the period end.

In Thailand listed companies must file audited annual financial statements within 60 days of the fiscal year end, with some exceptions. The Stock Exchange Market of Thailand also requires companies to file annual reports within four months of fiscal year end both physically and as a PDF, and they are publicly available.

We want to share the information we are collecting.

I am proud to say that the main work has been done from this office. Grace Leung is responsible for compiling the profiles, working closely with Andie Wood in London.

Over the next few months you will see profiles published on our website. Our goal is to have filing profiles for each country for which we have our main jurisdictional profiles.

Preliminary findings

Some jurisdictions have requirements to file their IFRS information using structured data requirements. The IFRS Taxonomy and XBRL are the most common tools for this purpose.

Our profile analysis so far shows that IFRS Taxonomy-based filing is split between mandatory and optional filing. Most jurisdictions that require this type of filing create extensions based on the IFRS

Taxonomy, however some use our Taxonomy without changes or additions. Most jurisdictions do not require or allow preparers to include extension items.

The move to more structured electronic filing requirements is gaining momentum. The US Securities and Exchange Commission requires all US domestic issuers to file an electronically tagged version of their financial statements using XBRL. Regulators in Australia, Japan, Korea and many South American countries have similar requirements or options. In Europe the Transparency Directive requires structured electronic filing of financial statements from 2020.

When a regulator decides to require that IFRS information must be filed electronically in a structured format, they must select a taxonomy and a technology. The IFRS Taxonomy and XBRL are respectively the default taxonomy and technology.

Over the last decade, the IFRS Taxonomy and XBRL specifications have developed together. In fact, many people see the two as being inseparable. The IFRS Foundation supports XBRL. But it is not the only technology that could be used to support electronic filing.

We are committed to working with regulators to make sure that the IFRS Taxonomy is not an impediment to developing structured filing requirements. This includes investigating technologies that work with mobile ‘smart’ devices and alternatives to XBRL. Having said that, the ability to compare and exchange data is important, so the technologies must be compatible.

That brings us to today.

Guide for regulators

Our second important release is a new guide developed for regulators on how to use the IFRS Taxonomy.

The guide is designed to help you work with the IFRS Taxonomy efficiently and effectively. You are very fortunate to have Andie and Bartek here today to work through the guide.

I would like to admire the work and effort they made for today’s presentation.

I hope that you can see that this event, the filing profiles and the regulator guide are examples of our commitment to help you make IFRS information more accessible to investors.

Please enjoy your time with us. We are delighted to have you here.