September 2018

Proposed IFRS® Taxonomy Update
PTU/2018/1

IFRS Taxonomy 2018

Common Practice (IFRS 13 Fair Value Measurement*)*

Comments to be received by 19 November 2018

IASB®

IFRS®

IFRS® Taxonomy 2018

Proposed Update 1 *Common Practice*
(*IFRS 13* Fair Value Measurement)

Comments to be received by 19 November 2018

IFRS® Taxonomy 2018—Proposed Update 1 *Common Practice (IFRS 13* Fair Value Measurement*)* is published by the IFRS Foundation (Foundation) for comment only. The proposals may be modified in the light of the comments received before being issued in final form. Comments need to be received by 19 November 2018 and should be submitted in writing to the address below, by email to commentletters@ifrs.org or electronically using our 'Open for comment' page at http://go.ifrs.org/open-for-comment.

All comments will be on the public record and posted on our website at www.ifrs.org unless the respondent requests confidentiality. Such requests will not normally be granted unless supported by a good reason, for example, commercial confidence. Please see our website for details on this and how we use your personal data.

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Overview of the proposed changes to the IFRS® Taxonomy

Introduction

1 This Proposed IFRS Taxonomy Update includes proposed changes to the IFRS Taxonomy 2018 reflecting common reporting practice relating to disclosure requirements in IFRS 13 *Fair Value Measurement*.

2 IFRS 13:

(a) defines fair value;

(b) sets out in a single IFRS Standard a framework for measuring fair value whenever another IFRS Standard requires or permits fair value measurements or disclosures; and

(c) requires disclosures about fair value measurements.

3 The proposed changes to the IFRS Taxonomy are the result of an empirical analysis of common reporting practice in a sample of financial statements prepared using IFRS Standards.

4 The common practice content of the IFRS Taxonomy reflects disclosures that are not explicitly required by IFRS Standards but are commonly reported by entities in practice. Including common practice content in the IFRS Taxonomy reduces the need for entities and regulators to create their own taxonomy elements (extensions), which results in more consistent tagging of financial statements prepared using IFRS Standards. This increased consistency makes the data easier for users to consume. While common practice forms part of the content of the IFRS Taxonomy, it does not imply that this information is required by IFRS Standards or provide guidance on how to implement IFRS Standards. For further details about IFRS Taxonomy common practice content, please refer to *Using the IFRS Taxonomy—guide to common practice content*.[1,2]

5 All elements proposed in this document for addition to the IFRS Taxonomy meet the criteria described in *Using the IFRS Taxonomy—guide to common practice content*. In addition, in accordance with the IFRS Taxonomy due process, all proposed improvements in this document have been reviewed, but not approved, by the IFRS Taxonomy Review Panel.[3]

1 Available at https://www.ifrs.org/-/media/feature/standards/taxonomy/general-resources/common-practice-guide.pdf.

2 Information about past common practice projects can be found at https://www.ifrs.org/issued-standards/ifrs-taxonomy/#updates.

3 The IFRS Taxonomy Review Panel consists of at least three, but not more than five, Board members and at least one (senior) technical director. For more details, please refer to the *Due Process Handbook* at http://www.ifrs.org/-/media/feature/about-us/legal-and-governance/constitution-docs/due-process-handbook.pdf.

6 This document uses taxonomy-specific terminology. For more information, please refer to the *Guide to understanding the IFRS Taxonomy update* and *Using the IFRS Taxonomy—a preparer's guide*.[4] Appendix A provides a brief explanation of the terms used in this document.

7 The following table summarises the proposed changes. The rest of the document describes each change in detail.

Proposed change to the IFRS Taxonomy	**Common reporting practice**
Sensitivity of fair value measurement to changes in unobservable inputs	
Adding a new table and text block element for the sensitivity analysis—to allow easier extraction and analysis of sensitivity information separately from other disclosures (paragraphs 25–29).	Entities commonly disclose the sensitivity analysis separately from other disclosures related to fair value measurement.
Adding a new axis and members for unobservable inputs (paragraphs 30–31).	Entities commonly disclose quantitative and narrative sensitivity analyses disaggregated by unobservable input.
Adding new line items to quantify the reasonably possible change in unobservable inputs (paragraphs 32–44).	Entities commonly quantify the change in inputs used to calculate the effect on fair value.
Adding new line items and deprecating existing line items for the change in fair value measurement to distinguish between an increase and a decrease in inputs (paragraphs 45–52).	When quantitative sensitivity analyses are disaggregated by input, entities commonly disclose whether the change in fair value is due to an increase or a decrease in inputs.
Adding new line items for the change in fair value measurement to distinguish between the effect on profit or loss and the effect on other comprehensive income (paragraphs 53–55). We propose such line items also distinguish between the effect *before tax* and *after tax* to avoid ambiguity (paragraphs 56–63).	Entities commonly distinguish between the effect on fair value recognised in profit or loss and the effect on fair value recognised in other comprehensive income.

continued...

4 The *Guide to understanding the IFRS Taxonomy update* is available at https://www.ifrs.org/-/media/feature/standards/taxonomy/general-resources/understanding-ifrs-taxonomy-update.pdf. The *Using the IFRS Taxonomy—a preparer's guide* is available at https://www.ifrs.org/-/media/feature/resources-for/preparers/xbrl-using-the-ifrs-taxonomy-a-preparers-guide-december-2017.pdf.

...continued

Proposed change to the IFRS Taxonomy	Common reporting practice
Quantitative information about significant unobservable inputs used in fair value measurement	
Adding new line items for significant unobservable inputs (paragraphs 67–70).	Entities commonly disclose quantitative information about discount rates, rent, capitalisation rates and credit spreads used as inputs in fair value measurements.
Changing the data model to use an axis and members rather than line items—to support easier consumption of extensions (paragraphs 71–75).	Entities disclose quantitative information for many different inputs. Consequently, we expect entities to create many extensions for unobservable inputs.
Other proposed improvements	
Adding new members to the existing 'Valuation techniques used in fair value measurement' axis (paragraphs 77–80).	Entities commonly use the net asset value and income capitalisation techniques when measuring fair value.
Adding a new member and an existing member to the existing 'Classes of liabilities' axis (paragraphs 81–84).	Entities commonly provide separate fair value disclosures for contingent consideration and derivative liabilities.
Adding new line items for the reconciliation from opening to closing balance of fair value measurements (paragraphs 85–93).	Entities commonly present the effect of changes in exchange rates in a separate line item in the reconciliation.
Adding new line items for transfers between levels of the fair value hierarchy (paragraphs 94–99).	Entities commonly disclose a narrative statement that there were no transfers: (a) between Level 1 and Level 2 of the fair value hierarchy; or (b) between any levels of the fair value hierarchy.

8 All existing and proposed elements discussed in this document are included in the IFRS Taxonomy presentation group [823000] Notes – Fair value measurement. To reflect the disaggregation of disclosures required by IFRS 13, this presentation group includes separate tables and elements for assets, liabilities and an entity's own equity instruments. For example, the IFRS Taxonomy currently includes the following elements:

(a) interest rate, significant unobservable inputs, assets;

(b) interest rate, significant unobservable inputs, liabilities; and

(c) interest rate, significant unobservable inputs, entity's own equity instruments.

9 Most of the proposed changes in this document are modelled for assets, but in each case, we are proposing to make similar changes for the elements relating to liabilities and to an entity's own equity instruments. However, the proposed addition of members to the 'Classes of liabilities' axis (see paragraphs 81–84) is only applicable to liabilities.

Documentation labels

10 The IFRS Taxonomy includes documentation labels (also called definitions) for elements in the IFRS Taxonomy. These documentation labels provide a textual description of the accounting meaning of each element.

11 The documentation labels have not been included in this document, but are available as a separate Microsoft Excel® spreadsheet. They are also available as an additional linkbase in the IFRS Taxonomy files.[5]

XBRL properties

12 This document does not provide the full list of XBRL properties for the line items and members listed. The IFRS Taxonomy files and associated documentation provide further information on the XBRL properties applied to an element or table.

IFRS Taxonomy version

13 The IFRS Taxonomy files for this proposed update are based on the IFRS Taxonomy 2018, published in March 2018.

Next steps

14 The staff will analyse the comments received and evaluate whether to recommend changes to the original proposals and whether any revised proposals should be re-exposed. The staff will discuss the comments received and the changes to the original proposals, including any proposal to re-expose, with the IFRS Taxonomy Review Panel. A public summary of these discussions will be prepared by the staff where relevant. After comments have been considered and discussed, the staff will proceed with the drafting and the publication of the final IFRS Taxonomy Update document.

5 Available at https://www.ifrs.org/projects/work-plan/ifrs-taxonomy-common-practice-ifrs-13.

Invitation to comment

Introduction

15 We invite comments on this Proposed IFRS Taxonomy Update, particularly on the questions set out below. Comments are most helpful if they:

(a) address the questions as stated;

(b) indicate the specific IFRS Taxonomy item, table or group of items to which they relate;

(c) contain a clear rationale; and

(d) include any alternative we should consider, if applicable.

16 Comments on the IFRS Taxonomy as a whole are also welcome. However, any IFRS Taxonomy amendments resulting from such comments may be included in a subsequent update.

Questions for respondents

Question 1—sensitivity of fair value measurement to changes in unobservable inputs

(a) Do you agree with the proposed approach for adding numeric line items to quantify the reasonably possible change in unobservable inputs used in fair value measurement in paragraph 36? If not, do you prefer the alternative approach set out in paragraphs 42–44? If you do not agree with either approach, please specify what approach you propose and why.

(b) Do you agree with the addition of new line items as proposed in paragraphs 45–50? Do you also agree with the deprecation of existing elements as proposed in paragraph 51? If not, please explain why.

(c) Do you agree with the other improvements proposed in paragraphs 21–63? If not, please specify what changes you propose and why.

Question 2—quantitative information about significant unobservable inputs used in fair value measurement

(a) Do you agree with the addition of new line items for significant unobservable inputs as proposed in paragraph 67? If not, please specify what changes you propose and why.

(b) Do you agree with the proposal to change the data model in paragraph 71? Do you think the advantages of the proposed modelling (see paragraph 71) outweigh the disadvantages (see paragraph 74)? If not, please specify what changes you propose and why.

Question 3—other proposed improvements	
(a)	Do you agree with the proposed modelling approach for the disclosure of exchange differences in the reconciliation from opening to closing balance of fair value measurements in paragraph 89? If not, do you prefer the alternative approach in paragraph 90? If you do not agree with either approach, please specify what approach you propose and why.
(b)	Do you agree we should not add elements for 'disposals', as described in paragraph 93? If not, please specify what changes you propose and why.
(c)	Do you agree with the other improvements proposed in paragraphs 76–99? If not, please specify what changes you propose and why.

Question 4—appropriate use of element labels
Do the labels of the proposed elements faithfully represent their meaning? If not, please specify what changes you would make and why.

Question 5—appropriate use of documentation labels
Do the documentation labels of the proposed elements, as described in paragraphs 10–11, correctly define these elements? If not, please specify what changes you would make and why.

Question 6—areas for future common practice analysis
Are there other areas where common practice analysis may be useful?

Deadline

17 All comments must be received on or before 19 November 2018.

How to comment

18 We would prefer to receive your comments electronically; however, comments can be submitted using any of the following methods:

Electronically	Visit the 'Open for comment' page at: http://go.ifrs.org/open-for-comment
By email	Send comments to: commentletters@ifrs.org
By post	IFRS Foundation Columbus Building 7 Westferry Circus Canary Wharf London, E14 4HD United Kingdom

19 All comments will be on the public record and posted on our website unless the respondent requests confidentiality. Such requests will not normally be granted unless supported by a good reason, for example, commercial confidence. Please see our website for details on this and on how we use your personal data.

Sensitivity of fair value measurement to changes in unobservable inputs

Background

20 Paragraph 93(h) of IFRS 13 requires the following disclosures for recurring fair value measurements categorised within Level 3 of the fair value hierarchy:[6,7]

Paragraph	Applicable to…	Disclosure requirement
93(h)(i)	all recurring Level 3 fair value measurements	An entity shall disclose a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in those inputs to a different amount might result in a significantly higher or lower fair value measurement.[(a)]
93(h)(ii)	recurring Level 3 fair value measurements—financial assets and liabilities only	If changing one or more of the unobservable inputs to reflect reasonably possible alternative assumptions would change fair value significantly, an entity shall state that fact and disclose the effect of those changes.[(b)] The entity shall disclose how the effect of a change to reflect a reasonably possible alternative assumption was calculated.

(a) In the rest of this document, this disclosure is referred to as the 'narrative sensitivity analysis'.
(b) In the rest of this document, this disclosure is referred to as the 'quantitative sensitivity analysis'.

Overview of proposals

21 We are proposing to make the following changes to the IFRS Taxonomy relating to the sensitivity of fair value measurement to changes in unobservable inputs (see Question 1):

(a) adding a new table and text block element for the sensitivity analysis (paragraphs 25–29);

(b) adding a new axis and members for unobservable inputs (paragraphs 30–31);

(c) adding new line items to quantify the reasonably possible change in unobservable inputs (paragraphs 32–44);

6 Paragraph 93(a) of IFRS 13 defines recurring fair value measurements as those that other IFRS Standards require or permit in the statement of financial position at the end of each reporting period.

7 IFRS 13 categorises into three levels the inputs to valuation techniques used to measure fair value. Level 3 inputs are unobservable inputs.

(d) adding new line items and deprecating existing line items for the change in fair value measurement to distinguish between an increase and a decrease in inputs (paragraphs 45–52); and

(e) adding new line items for the change in fair value measurement to distinguish between the effect on profit or loss, before and after tax and the effect on other comprehensive income, before and after tax (paragraphs 53–63).

22 Paragraph 145(a) of IAS 19 *Employee Benefits*, paragraph 128(a) of IFRS 17 *Insurance Contracts* and paragraph 40(a) of IFRS 7 *Financial Instruments: Disclosures* require sensitivity analyses that are similar to the quantitative sensitivity analysis required by IFRS 13. Most changes to the IFRS Taxonomy proposed in this section are consistent with the modelling for the sensitivity analyses required by IAS 19 and IFRS 17 and any proposed changes that differ from the modelling for these IFRS Standards are highlighted.

Current modelling

23 The IFRS Taxonomy currently contains the line items listed below relating to the sensitivity of fair value measurement to changes in unobservable inputs. These line items are all included in the 'Disclosure of fair value measurement of assets' table that reflects a number of requirements in IFRS 13.

Line items[8,9]

Element label	ET	ER	Reference
Description of sensitivity of fair value measurement to changes in unobservable inputs, assets	T	D	IFRS 13.93(h)(i)
Description of interrelationships between unobservable inputs and of how they might magnify or mitigate effect of changes in unobservable inputs on fair value measurement, assets	T	D	IFRS 13.93(h)(i)
Description of fact that changing one or more unobservable inputs to reflect reasonably possible alternative assumptions would change fair value significantly, assets	T	D	IFRS 13.93(h)(ii)

continued...

8 In all the tables in this document, existing IFRS Taxonomy elements are presented in italics to distinguish them from proposed new elements.

9 In all the tables in this document, 'ET' and 'ER' represent element type and reference type, respectively. For element type, 'M', 'PER', 'P', 'DEC', 'T' and 'TB' represent monetary, percentage, pure, decimal, text and text block, respectively. For reference type, 'D', 'E' and 'CP' represent disclosure, example and common practice, respectively. For element label, 'A', 'M' and 'DM' in brackets represent axis, member and default member, respectively.

...continued

Element label	ET	ER	Reference
Increase (decrease) in fair value measurement due to change in one or more unobservable inputs to reflect reasonably possible alternative assumptions, assets	M	D	IFRS 13.93(h)(ii)
Increase in fair value measurement due to change in one or more unobservable inputs to reflect reasonably possible alternative assumptions, assets	M	D	IFRS 13.93(h)(ii)
Decrease in fair value measurement due to change in one or more unobservable inputs to reflect reasonably possible alternative assumptions, assets	M	D	IFRS 13.93(h)(ii)
Description of how effect on fair value measurement due to change in one or more unobservable inputs to reflect reasonably possible alternative assumptions was calculated, assets	T	D	IFRS 13.93(h)(ii)

Proposed modelling

24 The next sections describe the proposed changes in detail. Appendix B presents an overview of all elements relating to the sensitivity analysis, incorporating the proposed changes.

New table and text block element for the sensitivity analysis

25 The existing line items related to the sensitivity analysis are currently included in the 'Disclosure of fair value measurement of assets' table.

26 We propose creating a separate table that contains all elements related to the sensitivity analysis, as well as a new table text block element, because:

(a) our review of reporting practice has found that entities commonly present the sensitivity analysis and related disclosures separately from other disclosures related to fair value measurement—for example, in a separate table or under a separate heading;

(b) in our view, grouping the elements related to the sensitivity analysis in a separate table makes the elements easier for preparers to find in the IFRS Taxonomy; and

(c) in our view, creating table text block elements for the sensitivity analysis and related disclosures would permit users of the tagged data to extract the data more easily.

Table text block

Element label	ET	ER	Reference
Disclosure of sensitivity analysis of fair value measurement to changes in unobservable inputs, assets	TB	CP	IFRS 13.93(h)

27 The new line items that are proposed in paragraphs 32–63 would be added to this new table. The existing line items related to the sensitivity analysis that are retained—the line items in paragraph 23, except those we are proposing to deprecate in paragraph 51—would be removed from the existing 'Disclosure of fair value measurement of assets' table and then moved to the new table. The new table with all proposed elements is presented in Appendix B.

28 To allow disaggregation of the sensitivity analysis required by paragraph 93 of IFRS 13, the table uses the following existing axes:

(a) the 'Classes of assets' axis with its members; and

(b) the 'Measurement' axis with its members.

29 To allow disaggregation by unobservable input, the table uses the new axis 'Unobservable inputs' with its members—see paragraphs 30–31.

New axis and members for unobservable inputs

30 Our review of reporting practice has found that entities commonly disaggregate both narrative and quantitative sensitivity analyses by unobservable input. Such disaggregated information cannot currently be tagged using the IFRS Taxonomy without using extensions.

31 Consequently, we are proposing to add an 'Unobservable inputs' axis to tag information disaggregated by unobservable input. We are proposing to use the existing line items (see paragraph 65) as well as the proposed new line items (see paragraph 67) for the value of significant unobservable inputs as members for the new axis.

Axis and members

Element label	ER	Reference
Unobservable inputs (A)	CP	IFRS 13.93(d), IFRS 13.93(h)
Unobservable inputs (DM)	CP	IFRS 13.93(d), IFRS 13.93(h)
Interest rate, measurement input (M)	E	IFRS 13.B36(a)
Historical volatility for shares, measurement input (M)	E	IFRS 13.B36(b)
…		

New line items to quantify the reasonably possible change in unobservable inputs

32 Paragraph 93(h)(ii) of IFRS 13 requires an entity to disclose how the effect of a change to reflect a reasonably possible alternative assumption was calculated for quantitative sensitivity analyses. This disclosure requirement is reflected in the IFRS Taxonomy using the text line item 'Description of how effect on fair value measurement due to change in one or more unobservable inputs to reflect reasonably possible alternative assumptions was calculated, assets' (see paragraph 23).

33 Our review of reporting practice has found that entities commonly quantify the reasonably possible increase or decrease in unobservable inputs that was used to calculate the effect on fair value. Consequently, we are proposing to add numeric line items to tag the reasonably possible change in unobservable inputs. In addition, we are proposing to retain the existing text line item of how the effect on fair value measurement was calculated to tag narrative descriptions.

34 Our review of reporting practice has found that a change in unobservable inputs can be expressed in the following ways:

		Change in input	
		'Absolute' changes	**'Relative' changes**
Value of input	In a unit *other than* a percentage (eg expected cash flows, in EUR)	**TYPE I** eg an increase in expected cash flows of 2 million EUR	**TYPE II—common** eg an increase in expected cash flows of 5%
	A percentage (eg a discount rate)	**TYPE III—common** eg a 2% increase (ie 200 basis points) in an 8% discount rate to a discount rate of 10%	**TYPE IV** eg a 2% increase in an 8% discount rate to a discount rate of 8.16% (ie multiplied by 1.02)

35 However, not all these types of changes were common. We observed that:

(a) for inputs in a unit other than a percentage, entities commonly report relative changes in percentages (Type II). Reporting absolute changes for such inputs (Type I) is not common.

(b) for inputs expressed as a percentage, entities commonly report absolute changes (Type III), expressed in percentage points or basis points. For some entities, the reported changes could not be identified as either absolute (Type III) or relative (Type IV). There were no cases where we could identify the reported change as a relative change (Type IV) with certainty.

Proposed approach[10]

36 After analysing common reporting practice, we propose:

(a) adding 'Percent' type elements to tag the commonly reported types of changes (Type II and Type III) (see paragraph 37); and

(b) specifying in an implementation note that the elements should not be used to tag Type IV changes (see paragraph 38).[11]

Entities that disclose Type I and Type IV changes will continue to need to create extensions for these changes.

Line items[12]

Element label	ET	Used for change type[(a)]
Percentage of reasonably possible increase in unobservable input, assets	PER	Types II & III
Percentage of reasonably possible decrease in unobservable input, assets	PER	Types II & III

(a) For more information on change types please refer to paragraph 34.

37 We propose to add separate elements for increases and decreases in inputs, rather than a single 'increase (decrease)' element. This is because our review of reporting practice has found that most entities present both a favourable and an unfavourable scenario regarding the possible effect on fair value in their sensitivity analysis. Consequently, they report both a value for the possible increase in an input and a value for the possible decrease in the same input. Separate elements are needed to tag those two values.

38 We propose adding the following implementation note for the 'increase' element:

> Use this element for increases expressed as percentages in inputs not expressed as percentages—for example, a 2% increase in cash flows. Also use this element for increases expressed in percentage points in inputs expressed as percentages—for example, a 2% increase in an 8% discount rate to a discount rate of 10%. Do not use this element for relative changes in inputs expressed as percentages—for example, a 2% increase in an 8% discount rate to a discount rate of 8.16% (ie multiplied by 1.02). In such cases, create extension elements.

39 We propose this approach because:

(a) it reflects common reporting practice;

10 Appendix B, which provides an overview of all elements related to the sensitivity analysis, uses this proposed approach.

11 We are currently exploring how to include implementation notes in the IFRS Taxonomy. In the meantime, this information is located in the documentation labels.

12 All emphases added for the IFRS Taxonomy elements illustrated in this document will not appear in the IFRS Taxonomy.

(b) the element types are intuitive for preparers—common types of changes expressed as percentages (Types II and III) are tagged with 'Percent' type elements;

(c) the element labels are easy to understand for preparers and users—common types of changes expressed as percentages (Types II and III) are tagged with elements labelled 'percentage increase/decrease'; and

(d) by requiring extensions to be created for Type IV changes, there is no potential for users to confuse Type III with Type IV changes.

40 However, under the proposed approach, extensions are needed for Type I and Type IV changes. We found that Type I changes are not common, but we could not determine whether entities commonly disclose Type IV changes (see paragraph 35(b)). Consequently, if Type IV changes are considered common, elements to tag Type IV changes to the IFRS Taxonomy might need to be added. In addition, the distinction between Type III and Type IV changes may need to be given more prominence, because preparers may overlook information in implementation notes.

41 We considered, but rejected an alternative modelling approach, described below, that provides elements to tag Type IV changes.

Rejected approach

42 Under the alternative, rejected approach, we would add separate 'Percent' type elements for percentage changes (Types II and IV) and percentage point changes (Type III). We would explain the difference between these elements in implementation notes.

Line items

Element label	**ET**	**Used for change type**[(a)]
Reasonably possible increase in unobservable input expressed in **percentage points**, assets	PER	Type III
Reasonably possible decrease in unobservable input expressed in **percentage points**, assets	PER	Type III
Reasonably possible increase in unobservable input expressed in **percentage**, assets	PER	Types II & IV
Reasonably possible decrease in unobservable input expressed **in percentage**, assets	PER	Types II & IV

(a) For more information on change types please refer to paragraph 34.

43 We note that under the alternative approach:

(a) the element types are intuitive for preparers—common types of changes expressed as percentages (Types II and III) are tagged with 'Percent' type elements.

(b) the element labels may be confusing for preparers and users—common absolute percentage changes (Type III) need to be tagged using 'increase/decrease in percentage points' elements instead of 'increase/decrease in percentage' elements. This potential confusion could be addressed in implementation notes.

(c) extensions are needed for Type I changes. However, we found that Type I changes were not common.

44 We rejected this approach because it is more complex than the proposed approach. In addition, we could not find evidence that Type IV changes are commonly disclosed.

Add new line items and deprecate existing line items for the change in fair value measurement to distinguish between an increase and a decrease in inputs

Sensitivity analyses in which one input is changed at a time

45 The existing line items in the IFRS Taxonomy for tagging the change in fair value measurement (the monetary elements in paragraph 23) only indicate that the reported increase or decrease in fair value is due to a 'change in one or more unobservable inputs', without specifying the direction in which the inputs have changed. When multiple inputs are changed at a time, each input could change in a different direction—for example, a simultaneous increase in unobservable input X and decrease in unobservable input Y would decrease fair value by CU100.[13]

46 Our review of reporting practice has found that when entities disclose a quantitative sensitivity analysis calculated by changing one unobservable input at a time, they usually specify whether the reported effect on fair value is the result of either an increase or a decrease in the unobservable input. In other words, entities commonly specify the direction of the relationship between the inputs and the fair value measurement—for example:

(a) a reasonably possible *increase* in unobservable input Y would *decrease* fair value by CU100; and

(b) a reasonably possible *decrease* in unobservable input Y would *increase* fair value by CU500.

13 In this document, monetary amounts are denominated in 'currency units' (CU).

47 Consequently, we are proposing to add the following line items that capture the direction of the relationship:

Line items

Element label	ET	ER	Reference
Increase (decrease) in fair value measurement due to reasonably possible **increase** in unobservable input, assets	M	D	IFRS 13.93(h)(ii)
Increase (decrease) in fair value measurement due to reasonably possible **decrease** in unobservable input, assets	M	D	IFRS 13.93(h)(ii)

48 We considered, but rejected modelling the direction of the relationship between an unobservable input and the fair value measurement using a Boolean element.[14] The Boolean element type is currently not used in the IFRS Taxonomy. Consequently, the use of this element type would need to be reviewed separately and applied consistently to the entire IFRS Taxonomy content. This is outside the scope of this Proposed IFRS Taxonomy Update.

Sensitivity analyses in which multiple inputs are changed simultaneously

49 We have also observed entities commonly calculate the effect on fair value by changing multiple inputs simultaneously. We propose to add separate elements for increases and decreases in fair value. This is because our review of reporting practice has found that most entities present both a favourable and an unfavourable scenario regarding the possible effect on fair value in their sensitivity analysis. Consequently, entities report both a value for the possible increase in fair value and a value for the possible decrease in fair value. Separate elements are needed to tag those two values.

Line items

Element label	ET	ER	Reference
Increase in fair value measurement due to change in **multiple** unobservable inputs to reflect reasonably possible alternative assumptions, assets	M	D	IFRS 13.93(h)(ii)
Decrease in fair value measurement due to change in **multiple** unobservable inputs to reflect reasonably possible alternative assumptions, assets	M	D	IFRS 13.93(h)(ii)

50 We propose *not* to add an 'Increase (decrease) in fair value measurement due to change in multiple unobservable inputs ...' line item, because we see no need for

14 A Boolean element type only allows two possible values.

it. Entities may currently use the existing element 'Increase (decrease) in fair value measurement due to change in one or more unobservable inputs to reflect reasonably possible alternative assumptions, assets' when the amount of the possible increase in fair value equals the amount of the possible decrease—for example, when an entity discloses the following: 'Changing the unobservable inputs to reflect reasonably possible alternative assumptions would increase/decrease fair value by CU100'. However, in such cases we think the 'CU100' should be tagged twice, with both the 'Increase in fair value measurement ...' and the 'Decrease in fair value measurement ...' element. In our view, this approach best supports information analysis over time and comparisons between entities.

Deprecation of existing elements

51 We propose to deprecate the existing line items (the monetary line items in paragraph 23) to make sure entities choose the appropriate, new elements and avoid errors caused by rolling forward the tagging used in previous periods.[15]

52 We note that as a consequence of the proposals in this section:

(a) users would have to extract two sets of two elements to compare different entities' sensitivity analyses; and

(b) preparers will bear a re-tagging cost and users will bear a re-mapping cost of the sensitivity analysis tagged in previous years.

Add new line items for the change in fair value measurement to distinguish between the effect (i) on profit or loss and other comprehensive income and (ii) before and after tax

53 Paragraph 93(h)(ii) of IFRS 13 requires an entity to disclose the possible effect of the change in fair value of specific financial assets or financial liabilities and does not further specify how this effect should be calculated or disclosed. Our review of reporting practice has found that, in quantitative sensitivity analyses, entities commonly disclose separately the possible effect on profit or loss and the possible effect on other comprehensive income.

54 We note that such disclosures are consistent with the overall disclosure objective in paragraph 91(b) of IFRS 13—that fair value disclosures should help users of financial statements assess the effect of the measurements on profit or loss and other comprehensive income for the period.

55 Consequently, we are proposing to add line items to distinguish between the effect on profit or loss and the effect on other comprehensive income.

56 In addition, we considered whether the line items we add should distinguish between the effect on profit or loss and other comprehensive income *before tax* and *after tax*.

15 Deprecation is not the same as deletion. Deprecation means that an element is still available within separate IFRS Taxonomy files but the IFRS Foundation no longer recommends the use of that element.

57 As noted in paragraph 53, IFRS 13 does not specify how the effect of a change in fair value should be calculated or presented, in particular, whether it should be before or after tax. In addition, the requirement for a similar sensitivity analysis in IFRS 17 focuses on the possible effect on profit or loss and equity, but it does not specify whether that effect is before or after tax (see paragraph 22). Consequently, the IFRS Taxonomy modelling of the IFRS 17 sensitivity analysis does not distinguish before tax effects from after tax effects.

58 Our review of reporting practice has found that, among entities that distinguished between the effect on profit or loss and other comprehensive income in their IFRS 13 sensitivity analysis:

(a) most do not disclose whether the reported effect is on profit or loss or other comprehensive income before tax or after tax; however

(b) a few entities disclose the effect before tax and a few disclose the effect after tax.

59 Our review of reporting practice provides some limited evidence of diversity in practice, but it does not provide sufficient evidence to add separate 'before tax' and 'after tax' elements in the IFRS Taxonomy, because the frequency criterion for adding common practice content is not met.

60 Nevertheless, we propose that such a distinction is made in the IFRS Taxonomy to remove ambiguity. Even though most entities do not disclose whether they provide the effects before or after tax, this information should be available to them internally.

61 We propose to add line items for each of the four proposed line items in paragraphs 47 and 49 for the change in fair value that distinguish between the effect on:

(a) profit or loss before tax;

(b) other comprehensive income before tax;

(c) profit or loss after tax; and

(d) other comprehensive income after tax.

62 For example, for the new line item 'Increase (decrease) in fair value measurement due to reasonably possible increase in unobservable input, assets' proposed in paragraph 47, we would add line items as illustrated below. The complete list of new elements is presented in Appendix B.

Line items

Element label	ET	ER	Reference
Increase (decrease) in fair value measurement due to reasonably possible increase in unobservable input, assets	M	D	IFRS 13.93(h)(ii)

continued...

...continued

Element label	ET	ER	Reference
Increase (decrease) in fair value measurement due to reasonably possible increase in unobservable input, recognised in profit or loss, before tax, assets	M	CP	IFRS 13.93(h)(ii)
Increase (decrease) in fair value measurement due to reasonably possible increase in unobservable input, recognised in other comprehensive income, before tax, assets	M	CP	IFRS 13.93(h)(ii)
Increase (decrease) in fair value measurement due to reasonably possible increase in unobservable input, recognised in profit or loss, after tax, assets	M	CP	IFRS 13.93(h)(ii)
Increase (decrease) in fair value measurement due to reasonably possible increase in unobservable input, recognised in other comprehensive income, after tax, assets	M	CP	IFRS 13.93(h)(ii)

63 We note that as a consequence of the proposed approach in this section:

(a) the size of the IFRS Taxonomy increases by 16 additional elements for each category: assets, liabilities and an entity's own equity instruments; and

(b) the modelling of the IFRS 17 sensitivity analysis may need to be amended (see paragraph 57).

Quantitative information about significant unobservable inputs used in fair value measurement

Background

64 Paragraph 93(d) of IFRS 13 requires entities to provide quantitative information about the significant unobservable inputs used in fair value measurements categorised within Level 3 of the fair value hierarchy.

65 The IFRS Taxonomy reflects this requirement using line items, which are included in a separate table 'Disclosure of significant unobservable inputs used in fair value measurement of assets'. This table includes the 'Measurement', 'Classes of assets', 'Valuation techniques used in fair value measurement' and 'Range' axes. The existing 10 line items are based on examples of unobservable inputs included in IFRS 13 and the Illustrative Examples accompanying IFRS 13:

Line items

Element label	ET	ER	Reference
Interest rate, significant unobservable inputs, assets	PER	E	IFRS 13.B36(a)
Historical volatility for shares, significant unobservable inputs, assets	PER	E	IFRS 13.B36(b)
Adjustment to mid-market consensus price, significant unobservable inputs, assets	PER	E	IFRS 13.B36(c)
Current estimate of future cash outflows to be paid to fulfil obligation, significant unobservable inputs, assets	M	E	IFRS 13.B36(d)
Financial forecast of profit or loss for cash-generating unit, significant unobservable inputs, assets	M	E	IFRS 13.B36(e)
Financial forecast of cash flows for cash-generating unit, significant unobservable inputs, assets	M	E	IFRS 13.B36(e)
Weighted average cost of capital, significant unobservable inputs, assets	PER	E	IFRS 13.93(d), IFRS 13.IE63
Revenue multiple, significant unobservable inputs, assets	P	E	IFRS 13.93(d), IFRS 13.IE63
Constant prepayment rate, significant unobservable inputs, assets	PER	E	IFRS 13.93(d), IFRS 13.IE63
Probability of default, significant unobservable inputs, assets	PER	E	IFRS 13.93(d), IFRS 13.IE63

Overview of proposals

66 We are proposing to make the following changes to the IFRS Taxonomy relating to quantitative information about significant unobservable inputs used in fair value measurement (see Question 2):

(a) add new line items for significant unobservable inputs (paragraphs 67–70); and

(b) change the data model to use an axis and members rather than line items—to support easier consumption of extensions (paragraphs 71–75).

New line items for significant unobservable inputs

67 In our review of reporting practice, we identified four significant unobservable inputs entities commonly report. Consequently, we are proposing to add new line items for those inputs as follows:

Line items

Element label	ET	ER	Reference
Discount rate, significant unobservable inputs, assets	PER	CP	IFRS 13.93(d)
Weighted average cost of capital, significant unobservable inputs, assets	PER	E	IFRS 13.93(d), IFRS 13.IE63
Rent, significant unobservable inputs, assets	DEC	CP	IFRS 13.93(d)
Capitalisation rate, significant unobservable inputs, assets	PER	E	IFRS 13.93(d), IFRS 13.IE63
Credit spread, significant unobservable inputs, assets	PER	CP	IFRS 13.93(d)

68 In our review of reporting practice, we observed that entities use different units to disclose rent, such as 'CU per square foot per month' or 'CU per square meter per year'. Consequently, we are proposing to use a 'Decimal' element type for the 'Rent' element to allow an entity to choose the appropriate unit.

69 Because the weighted average cost of capital is a type of discount rate, we propose presenting the existing 'Weighted average cost of capital' element as a child to the new 'Discount rate' element.

70 In our view, there may be some overlap between the new 'Discount rate' element and the existing 'Interest rate' element, but in many cases only one of the two elements is appropriate. For example, we think the element 'Interest rate' is likely to be used for financial assets and liabilities, whereas the element 'Discount rate' is likely to be used for non-financial assets and liabilities.

Change from line items to dimensional modelling

71 We propose changing the modelling for the disclosure requirement in paragraph 93(d) of IFRS 13 to a dimensional approach, because our review of reporting practice has found that entities disclose quantitative information for many different unobservable inputs. Consequently, we expect entities to create many extensions for unobservable inputs. A dimensional approach makes it easier for users of the tagged data to consume any extension elements for inputs because they are linked to a known axis. In addition, we note that, compared to the current modelling, a dimensional approach:

(a) makes it easier for users of the tagged data to consume information together with the sensitivity analysis because both will be disaggregated by the same input members on the same axis; and

(b) would result in fewer elements.

72 Changing to a dimensional approach would mean:

(a) adding an 'Unobservable inputs' axis to the existing table with as members the existing 10 line items (see paragraph 65) and the four new elements proposed in paragraph 67; and

(b) adding a new, generic line item to the existing table, 'Significant unobservable input, assets' and deprecating the 10 existing, more specific line items for each category: assets, liabilities and the entity's own equity instruments.

Axis and members

Element label	ER	Reference
Unobservable inputs (A)	CP	IFRS 13.93(d), IFRS 13.93(h)
Unobservable inputs (DM)	CP	IFRS 13.93(d), IFRS 13.93(h)
Interest rate, measurement input (M)	E	IFRS 13.B36(a)
...		
Discount rate, measurement input (M)	CP	IFRS 13.93(d)
Weighted average cost of capital, measurement input, assets (M)	E	IFRS 13.93(d), IFRS 13.IE63
Rent, measurement input (M)	CP	IFRS 13.93(d)
Capitalisation rate, measurement input (M)	E	IFRS 13.93(d), IFRS 13.IE63
Credit spread, measurement input (M)	CP	IFRS 13.93(d)

Line item

Element label	ET	ER	Reference
Significant unobservable input, assets	DEC	D	IFRS 13.93(d)

73 The line item 'Significant unobservable input, assets' has been assigned a 'Decimal' element type which permits this line item to be used for all unobservable inputs by choosing the appropriate unit. For example, it can be used for an input for which the value is expressed as a monetary amount or for an input for which the value is expressed as a percentage.

74 We note that as a consequence of this approach:

(a) preparers will bear a re-tagging cost and users will bear a re-mapping cost of the quantitative information about significant unobservable inputs used in fair value measurement tagged in previous years; and

(b) preparers will need to choose the unit type, which may lead to errors.

75 We note that the IFRS Taxonomy modelling for a similar disclosure requirement in IFRS 17 uses a dimensional approach, whereas the modelling for IAS 19 uses a line item approach. Measurement inputs were modelled in IFRS 17 as members mainly because no examples of inputs were provided in the IFRS Standard and

consequently all elements will need to be created by the entity. As mentioned in paragraph 71, extensions are easier to consume for users of tagged data when created as members.

Other proposed improvements

Overview of proposals

76 After analysing reporting practice, we propose the following changes (see Question 3):

(a) adding new members to the existing 'Valuation techniques used in fair value measurement' axis (paragraphs 77–80);

(b) adding a new member and an existing member to the existing 'Classes of liabilities' axis (paragraphs 81–84);

(c) adding new line items for exchange differences and not adding line items for disposals in the reconciliation from opening to closing balance of fair value measurements (paragraphs 85–93); and

(d) adding new line items for transfers between levels of the fair value hierarchy (paragraphs 94–99).

Add new members to the existing 'Valuation techniques used in fair value measurement' axis

77 Paragraph 93(d) of IFRS 13 requires entities to disclose a description of the valuation techniques used for recurring and non-recurring fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy. In addition, the disclosure of significant unobservable inputs used in fair value measurement may be disaggregated by valuation technique, as shown in paragraph IE63 of the Illustrative Examples accompanying IFRS 13. The IFRS Taxonomy contains a 'Valuation techniques used in fair value measurement' axis and members to reflect these disclosures. The members reflect examples of valuation techniques included in IFRS 13 and the Illustrative Examples accompanying IFRS 13.

78 In our review of reporting practice, we identified two valuation techniques entities commonly disclose that are currently not reflected in the IFRS Taxonomy:

(a) net asset value, which is included as an example in paragraph IE63 of the Illustrative Examples accompanying IFRS 13; and

(b) income capitalisation.

79 Consequently, we are proposing to add two new members to the existing 'Valuation techniques used in fair value measurement' axis as follows:

Axis and members

Element label	ER	Reference
Valuation techniques used in fair value measurement (A)	D	IFRS 13.93(d)
Valuation techniques (DM)	D	IFRS 13.93(d)
Market approach (M)	E	IFRS 13.62
Market comparable companies (M)	E	IFRS 13.B5, IFRS 13.IE63
Market comparable prices (M)	E	IFRS 13.B5, IFRS 13.IE63
Matrix pricing (M)	E	IFRS 13.B7
Consensus pricing (M)	E	IFRS 13.B5, IFRS 13.IE63
Cost approach (M)	E	IFRS 13.62
Income approach (M)	E	IFRS 13.62
Discounted cash flow (M)	E	IFRS 13.B11(a), IFRS 13.IE63
Option pricing model (M)	E	IFRS 13.B11(b), IFRS 13.IE63
Multi-period excess earnings method (M)	E	IFRS 13.B11(c)
Income capitalisation (M)	CP	IFRS 13.93(d)
Net asset value (M)	E	IFRS 13.IE63, IFRS 13.93(d)

80 Educational material for IFRS 13 notes that 'Net asset value' can be based on a combination of the 'Market approach', 'Cost approach' and 'Income approach'.[16] We therefore suggest placing the 'Net asset value' member at the same level as these three approaches.

Add a new member and an existing member to the existing 'Classes of liabilities' axis

81 The disclosures in paragraph 93 of IFRS 13 are required to be disaggregated by class of assets and liabilities. Paragraph 94 of IFRS 13 describes how to determine appropriate classes of assets and liabilities.

16 Paragraph 20, Illustrative examples to accompany *IFRS 13* Fair Value Measurement—*Unquoted equity instruments within the scope of IFRS 9* Financial Instruments, available at https://www.ifrs.org/-/media/feature/supporting-implementation/ifrs-13/education-ifrs-13-eng.pdf.

82 This disclosure requirement is reflected in the IFRS Taxonomy through the use of the 'Classes of assets', 'Classes of liabilities' and 'Classes of entity's own equity instruments' axes.

83 Our review of reporting practice has found that entities commonly provide the disclosures required by paragraph 93 of IFRS 13 separately for liabilities for contingent consideration and derivatives. The IFRS Taxonomy currently contains a member for 'Derivatives', which is used for the 'Classes of assets' axis. There is no member for contingent consideration.

84 Consequently, we are proposing to add a new member, 'Contingent consideration' and the existing member 'Derivatives' to the existing 'Classes of liabilities' axis:

Axis and members

Element label	**ER**	**Reference**
Classes of liabilities (A)	D	IFRS 13.93
Liabilities (DM)	D	IFRS 13.93
Derivatives (M)	E	IFRS 13.94, IFRS 13.IE60, IFRS 7.6, IFRS 7.IG40B
Contingent consideration (M)	CP	IFRS 13.94

Reconciliation from opening to closing balance of fair value measurements—new line items for exchange differences

85 Paragraph 93(e) of IFRS 13 requires entities to disclose a reconciliation from the opening balances to the closing balances for recurring fair value measurements categorised within Level 3 of the fair value hierarchy. IFRS 13 further prescribes which changes in fair value must be disclosed separately in the reconciliation:

(a) total gains or losses for the period recognised in profit or loss;

(b) total gains or losses for the period recognised in other comprehensive income;

(c) purchases, sales, issues and settlements (each type disclosed separately); and

(d) the amounts of any transfers into or out of Level 3 of the fair value hierarchy.

86 The IFRS Taxonomy reflects this requirement using line items, which are included in the 'Disclosure of fair value measurement of assets' table.

87 Our review of reporting practice has found that entities commonly disclose a separate line item for the effect of changes in foreign exchange rates in their reconciliation. In most cases, entities also disclose *other* gains or losses recognised in profit or loss or other comprehensive income as separate line

items (excluding the effect of changes in foreign exchange rates). This reporting practice is illustrated in the example below:

	Asset class A	**Asset class B**
At 1 January 20X0	CU3,000	CU2,000
Purchases	CU800	CU400
Sales	(CU550)	(CU200)
Gains/losses recognised in profit or loss	CU150	CU80
Gains/losses recognised in OCI	(CU50)	CU40
Exchange differences	CU50	CU30
At 31 December 20X0	CU3,400	CU2,350

88 IAS 21 *The Effects of Changes in Foreign Exchange Rates* distinguishes different types of exchange differences, some of which are recognised in profit or loss and some of which are recognised in other comprehensive income. In our analysis of reporting practice, we were not able to determine which type of exchange differences entities reported or whether the reported exchange differences were recognised in profit or loss or in other comprehensive income.

89 We propose to add new line items for exchange differences as children to the existing 'gains (losses)' line items, because exchange differences are a type of gain or loss recognised in profit or loss or other comprehensive income. We would also add line items for other gains or losses, excluding exchange differences, to complete the logical breakdown.

Proposed approach—line items

Element label	**ET**	**ER**	**Reference**
Gains (losses) recognised in profit or loss, fair value measurement, assets	M	D	IFRS 13.93(e)(i)
Gains (losses) recognised in profit or loss on exchange differences, fair value measurement, assets	M	CP	IFRS 13.93(e)(i)
Gains (losses) recognised in profit or loss other than on exchange differences, fair value measurement, assets	M	CP	IFRS 13.93(e)(i)

continued...

...continued

Element label	ET	ER	Reference
Gains (losses) recognised in other comprehensive income, fair value measurement, assets	M	D	IFRS 13.93(e)(ii)
Gains (losses) recognised in other comprehensive income on exchange differences, fair value measurement, assets	M	CP	IFRS 13.93(e)(ii)
Gains (losses) recognised in other comprehensive income other than on exchange differences, fair value measurement, assets	M	CP	IFRS 13.93(e)(ii)

90 We considered, but rejected adding a single line item for exchange differences at the same level as the existing ‘gains (losses)’ line items:

Rejected approach—line items

Element label	ET	ER	Reference
Gains (losses) recognised in profit or loss, fair value measurement, assets	M	D	IFRS 13.93(e)(i)
Gains (losses) recognised in other comprehensive income, fair value measurement, assets	M	D	IFRS 13.93(e)(ii)
Exchange differences, fair value measurement, assets	M	CP	IFRS 13.93(e)

91 This approach would allow tagging of reported exchange differences that are a mix of amounts recognised in profit or loss and amounts recognised in other comprehensive income. It also visually resembles current reporting practice more than the proposed approach does (see the example in paragraph 87).

92 However, in our view, presenting such ‘mixed’ amounts would be inconsistent with the requirements in IFRS 13, because IFRS 13 requires gains (losses) recognised in profit or loss to be disclosed separately from gains (losses) recognised in other comprehensive income. In addition, we could not determine how many entities in the sample presented such ‘mixed’ amounts. Consequently, we do not recommend this approach.

Reconciliation from opening to closing balance of fair value measurements—rejected element: disposals

93 Our review of reporting practice has found that entities commonly disclose ‘disposals’ separately in their reconciliation. However, we believe that entities use ‘disposals’ as a synonym for ‘sales’ and the IFRS Taxonomy already includes a line item for ‘sales’. We believe entities use the term ‘disposals’ by analogy to

requirements in other Standards—for example, paragraph 73(e)(ii) of IAS 16 *Property, Plant and Equipment*. Consequently, we are proposing not to add a new line item for 'disposals'.

New line items for transfers between levels of the fair value hierarchy

94 For recurring fair value measurements:

(a) paragraph 93(c) of IFRS 13 requires entities to disclose the amounts of any transfers between Level 1 and Level 2 of the fair value hierarchy and the reasons for those transfers; and

(b) paragraph 93(e)(iv) of IFRS 13 requires entities to disclose the amounts of any transfers into and out of Level 3 of the fair value hierarchy, as part of the reconciliation (see paragraph 85); as well as the reasons for those transfers.

95 These requirements are reflected in the IFRS Taxonomy through:

(a) line items using the 'Monetary' data type for the amounts of the transfers; and

(b) line items using the 'Text' data type for the reasons for the transfers.

96 Our review of reporting practice has found that entities commonly disclose a narrative statement that there were no transfers:

(a) between Level 1 and Level 2 of the fair value hierarchy; or

(b) between any levels of the fair value hierarchy.

97 Consequently, we are proposing to add new line items as follows:

Line items

Element label	ET	ER	Reference
Statement that there were no transfers between Level 1 and Level 2 of fair value hierarchy, assets	T	CP	IFRS 13.93(c)
Statement that there were no transfers between Level 1, Level 2 and Level 3 of fair value hierarchy, assets	T	CP	IFRS 13.93(c), IFRS 13.93(e)(iv)

98 The proposed line items were added to the existing 'Disclosure of fair value measurement of assets' table.

99 We considered, but rejected the following modelling options:

(a) broadening the scope of the existing text elements to tag the reasons for transfers to include statements that there were no transfers between levels. Under this approach, the elements would capture a mix of information resulting from requirements under IFRS Standards and information resulting from common reporting practice, which may be confusing.

(b) using Boolean elements instead of text elements. The Boolean element type is currently not used in the IFRS Taxonomy. Consequently, the use of this element type would need to be reviewed separately and applied consistently to the entire IFRS Taxonomy. This is outside the scope of this Proposed IFRS Taxonomy Update.

Appendix A—IFRS® Taxonomy content terminology

<table>
<tr><th colspan="2">Core content—IFRS Taxonomy elements</th></tr>
<tr><td>The IFRS Taxonomy contains elements that capture disclosures in financial statements prepared applying IFRS Standards.

These elements are described using:
line items–which represent the accounting concepts being reported. They can be either numerical or narrative, reflecting the figures and narrative reported, for example, ‘Assets’, ‘Property, plant and equipment’ and ‘Description of accounting policy for government grants’.
axes and members–information categories and components that accounting concepts can be broken down into or reported by, for example, ‘Classes of property, plant and equipment’.
tables–logical groupings of IFRS Taxonomy axes, members and line items.</td><td>These IFRS Taxonomy elements have:
element names and element identifiers–unique computer tags used to identify and mark up the data;
element labels–human-readable names reflecting the accounting meaning of an element;
element types (ET)–categories of permitted data values, for example, text (T), text block (TB), monetary (M), decimal (DEC), percentage (P); and
element properties, such as the:
period–which indicates whether the element is expected to be reported for a period of time (duration) or at a particular point in time (instant); and
balance–which indicates whether the element is generally expected to be reported as a credit or a debit.</td></tr>
</table>

<table>
<tr><th colspan="2">Supporting content—documentation and references for IFRS Taxonomy elements</th></tr>
<tr><td>The IFRS Taxonomy provides supporting content to help a user better understand the accounting meaning of an element.</td><td>This content includes:
• references—which link an element to the authoritative literature, for example, IFRS 15 Revenue from Contracts with Customers;
• element reference types (ER)—which define the source of an element, for example, disclosure (D), example (E) and common practice (CP); and
• documentation labels—which provide a textual description of the accounting meaning of each element.</td></tr>
<tr><th colspan="2">Supporting content—mathematical relationships between IFRS Taxonomy elements</th></tr>
<tr><td>The IFRS Taxonomy provides supporting content to help users better understand how elements may relate mathematically to each other.</td><td>For example, this content includes:
• summations of elements to a total or subtotal; and
• formulas to indicate that an element is a ratio of other taxonomy elements.</td></tr>
<tr><th colspan="2">Supporting content—presentation of IFRS Taxonomy elements</th></tr>
<tr><td>The IFRS Taxonomy provides presentation views under which the line items, axes and members have been grouped to support the human-readable viewing and navigation of the IFRS Taxonomy.</td><td>The IFRS Taxonomy has specific presentation elements:
• headings; and
• presentation groups.
These elements are not used when tagging financial statements. These headings and presentation groups also have labels.</td></tr>
</table>

Appendix B—Overview of elements relating to sensitivity of fair value measurement to changes in unobservable inputs applying the proposed approach

B1 Existing IFRS Taxonomy elements are presented in italics to distinguish them from new elements.

Table text block

Element label	ET	ER	Reference
Disclosure of sensitivity analysis of fair value measurement to changes in unobservable inputs, assets	TB	CP	IFRS 13.93(h)

Axes and members

Element label	ET	Reference
Unobservable inputs (A)	CP	IFRS 13.93(d), IFRS 13.93(h)
Unobservable inputs (DM)	CP	IFRS 13.93(d), IFRS 13.93(h)
Interest rate, measurement input (M)	E	IFRS 13.B36(a)
Historical volatility for shares, measurement input (M)	E	IFRS 13.B36(b)
Adjustment to mid-market consensus price, measurement input (M)	E	IFRS 13.B36(c)
Current estimate of future cash outflows to be paid to fulfil obligation, measurement input (M)	E	IFRS 13.B36(d)
Financial forecast of profit or loss for cash-generating unit, measurement input (M)	E	IFRS 13.B36(e)
Financial forecast of cash flows for cash-generating unit, measurement input (M)	E	IFRS 13.B36(e)
Revenue multiple, measurement input (M)	E	IFRS 13.93(d), IFRS 13.IE63
Constant prepayment rate, measurement input (M)	E	IFRS 13.93(d), IFRS 13.IE63
Probability of default, measurement input (M)	E	IFRS 13.93(d), IFRS 13.IE63
Discount rate, measurement input (M)	CP	IFRS 13.93(d)

continued...

...continued

Element label	ET	Reference
Weighted average cost of capital, measurement input, assets (M)	E	IFRS 13.93(d), IFRS 13.IE63
Rent, measurement input (M)	CP	IFRS 13.93(d)
Capitalisation rate, measurement input (M)	E	IFRS 13.93(d), IFRS 13.IE63
Credit spread, measurement input (M)	CP	IFRS 13.93(d)

B2 To allow disaggregation of the sensitivity analysis required by paragraph 93 of IFRS 13, the table also uses the following existing axes:

(a) 'Classes of assets' axis with its members; and

(b) 'Measurement' axis with its members.

Line items

Element label	ET	ER	Reference
Description of sensitivity of fair value measurement to changes in unobservable inputs, assets	T	D	IFRS 13.93(h)(i)
Description of interrelationships between unobservable inputs and of how they might magnify or mitigate effect of changes in unobservable inputs on fair value measurement, assets	T	D	IFRS 13.93(h)(i)
Description of fact that changing one or more unobservable inputs to reflect reasonably possible alternative assumptions would change fair value significantly, assets	T	D	IFRS 13.93(h)(ii)
Description of how effect on fair value measurement due to change in one or more unobservable inputs to reflect reasonably possible alternative assumptions was calculated, assets	T	D	IFRS 13.93(h)(ii)
Percentage of reasonably possible increase in unobservable input, assets	PER	CP	IFRS 13.93(h)(ii)
Increase (decrease) in fair value measurement due to reasonably possible increase in unobservable input, assets	M	D	IFRS 13.93(h)(ii)
Increase (decrease) in fair value measurement due to reasonably possible increase in unobservable input, recognised in profit or loss, before tax, assets	M	CP	IFRS 13.93(h)(ii)

continued...

...continued

Element label	ET	ER	Reference
Increase (decrease) in fair value measurement due to reasonably possible increase in unobservable input, recognised in other comprehensive income, before tax, assets	M	CP	IFRS 13.93(h)(ii)
Increase (decrease) in fair value measurement due to reasonably possible increase in unobservable input, recognised in profit or loss, after tax, assets	M	CP	IFRS 13.93(h)(ii)
Increase (decrease) in fair value measurement due to reasonably possible increase in unobservable input, recognised in other comprehensive income, after tax, assets	M	CP	IFRS 13.93(h)(ii)
Percentage of reasonably possible decrease in unobservable input, assets	PER	CP	IFRS 13.93(h)(ii)
Increase (decrease) in fair value measurement due to reasonably possible decrease in unobservable input, assets	M	D	IFRS 13.93(h)(ii)
Increase (decrease) in fair value measurement due to reasonably possible decrease in unobservable input, recognised in profit or loss, before tax, assets	M	CP	IFRS 13.93(h)(ii)
Increase (decrease) in fair value measurement due to reasonably possible decrease in unobservable input, recognised in other comprehensive income, before tax, assets	M	CP	IFRS 13.93(h)(ii)
Increase (decrease) in fair value measurement due to reasonably possible decrease in unobservable input, recognised in profit or loss, after tax, assets	M	CP	IFRS 13.93(h)(ii)
Increase (decrease) in fair value measurement due to reasonably possible decrease in unobservable input, recognised in other comprehensive income, after tax, assets	M	CP	IFRS 13.93(h)(ii)
Increase in fair value measurement due to change in multiple unobservable inputs to reflect reasonably possible alternative assumptions, assets	M	D	IFRS 13.93(h)(ii)
Increase in fair value measurement due to change in multiple unobservable inputs to reflect reasonably possible alternative assumptions, recognised in profit or loss, before tax, assets	M	CP	IFRS 13.93(h)(ii)

continued...

...continued

Element label	ET	ER	Reference
Increase in fair value measurement due to change in multiple unobservable inputs to reflect reasonably possible alternative assumptions, recognised in other comprehensive income, before tax, assets	M	CP	IFRS 13.93(h)(ii)
Increase in fair value measurement due to change in multiple unobservable inputs to reflect reasonably possible alternative assumptions, recognised in profit or loss, after tax, assets	M	CP	IFRS 13.93(h)(ii)
Increase in fair value measurement due to change in multiple unobservable inputs to reflect reasonably possible alternative assumptions, recognised in other comprehensive income, after tax, assets	M	CP	IFRS 13.93(h)(ii)
Decrease in fair value measurement due to change in multiple unobservable inputs to reflect reasonably possible alternative assumptions, assets	M	D	IFRS 13.93(h)(ii)
Decrease in fair value measurement due to change in multiple unobservable inputs to reflect reasonably possible alternative assumptions, recognised in profit or loss, before tax, assets	M	CP	IFRS 13.93(h)(ii)
Decrease in fair value measurement due to change in multiple unobservable inputs to reflect reasonably possible alternative assumptions, recognised in other comprehensive income, before tax, assets	M	CP	IFRS 13.93(h)(ii)
Decrease in fair value measurement due to change in multiple unobservable inputs to reflect reasonably possible alternative assumptions, recognised in profit or loss, after tax, assets	M	CP	IFRS 13.93(h)(ii)
Decrease in fair value measurement due to change in multiple unobservable inputs to reflect reasonably possible alternative assumptions, recognised in other comprehensive income, after tax, assets	M	CP	IFRS 13.93(h)(ii)