

October 2017

Proposed IFRS® Taxonomy Update
Taxonomy/2017/2

IFRS Taxonomy 2017

Prepayment Features with Negative Compensation
(Amendments to IFRS 9)

Comments to be received by 11 December 2017

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Proposed IFRS[®] Taxonomy Update

IFRS Taxonomy 2017—
*Prepayment Features with Negative
Compensation* (Amendments to IFRS 9)

Comments to be received by 11 December 2017

Proposed IFRS Taxonomy Update Taxonomy/2017/2 *Prepayment Features with Negative Compensation* (Amendments to IFRS 9) is published by the International Accounting Standards Board (Board) for comment only. The proposals may be modified in the light of comments. Comments must be received by **11 December 2017** 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 good reason, for example, commercial confidence. Please see our website for details on this and on how we use your personal data.

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CONTENTS

	<i>from page</i>
OVERVIEW OF PROPOSED AMENDMENTS TO THE IFRS® TAXONOMY	4
Introduction	4
Reading this proposed update	4
IFRS Taxonomy version	4
Effective date	4
Next steps	4
INVITATION TO COMMENT	4
Introduction	4
Questions for respondents	5
Deadline	5
How to comment	5
NEW TABLES FOR DISCLOSURES REQUIRED BY AMENDMENTS TO IFRS 9	6
Table for financial assets	6
Table for financial liabilities	8
Documentation labels for new elements	9
APPENDIX	12
IFRS Taxonomy content terminology	12
APPROVAL BY THE BOARD OF PROPOSED IFRS TAXONOMY UPDATE PREPAYMENT FEATURES WITH NEGATIVE COMPENSATION (AMENDMENTS TO IFRS 9) PUBLISHED IN OCTOBER 2017	14

Overview of the proposed amendments to the IFRS® Taxonomy

Introduction

1 This Proposed IFRS Taxonomy Update results from the publication of *Prepayment Features with Negative Compensation* (Amendments to IFRS 9) by the International Accounting Standards Board (Board) in October 2017.

2 As a result of the amendments made to IFRS 9, the Board proposes to add two tables to the IFRS Taxonomy, as described in paragraphs 12–18. In addition, the Board proposes to add documentation labels for the new elements created, as described in paragraph 19.

Reading this proposed update

3 For more information on the terminology and diagrams used in this document, please refer to the *Guide to Understanding the IFRS® Taxonomy Update*¹, which is available on www.ifrs.org. The Appendix provides a brief explanation of terms used in this document.

IFRS Taxonomy version

4 The IFRS Taxonomy files for this proposed update are not provided due to the changes being narrow in scope.

Effective date

5 Amendments to IFRS 9 applies to annual reporting periods beginning on or after 1 January 2019, as indicated in the references of related IFRS Taxonomy elements. Early application of the amendments, and therefore early use of the IFRS Taxonomy elements, is permitted.

Next steps

6 Comments on this Proposed IFRS Taxonomy Update will be reviewed and necessary amendments made. After approval by the Board, a final IFRS Taxonomy Update will be released.

Invitation to comment

Introduction

7 The Board invites 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 the Board should consider, if applicable.

¹ Please refer to: <http://go.ifrs.org/taxonomydocumentguide>.

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

Questions for respondents

Question 1—Adequate reflection of disclosure requirements

Do the proposed changes to the IFRS Taxonomy adequately reflect the disclosure requirements of Amendments to IFRS 9?

If not, please specify what changes you would propose and why.

Question 2—Appropriate use of element labels

Do the element labels that have been proposed for the IFRS Taxonomy faithfully represent the meanings of the elements to which they relate?

If not, please specify what changes you would propose and why.

Question 3—Appropriate use of documentation labels

Do the element documentation labels that have been proposed for the IFRS Taxonomy appropriately define these elements?

If not, please specify what changes you would propose and why.

Deadline

- 9 All comments must be received on or before 11 December 2017.

How to comment

- 10 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>

Email Send comments to: commentletters@ifrs.org

Postal IFRS Foundation
30 Cannon Street
London EC4M 6XH
United Kingdom

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

New tables for disclosures required by Amendments to IFRS 9

- 12 Paragraph 7.2.34 of Amendments to IFRS 9 requires, in the reporting period that includes the date of initial application of these amendments, disclosure of the following information as at that date of initial application for each class of financial assets and financial liabilities that were affected by these amendments:
- (a) the previous measurement category and carrying amount determined immediately before applying these amendments;
 - (b) the new measurement category and carrying amount determined after applying these amendments;
 - (c) the carrying amount of any financial assets and financial liabilities in the statement of financial position that were previously designated as measured at fair value through profit or loss but are no longer so designated; and
 - (d) the reasons for any designation or de-designation of financial assets or financial liabilities as measured at fair value through profit or loss.
- 13 Similar disclosure requirements currently exist in paragraphs C32–C33 of IFRS 17 *Insurance Contracts*. Those disclosure requirements were modelled in the Proposed IFRS Taxonomy Update published in May 2017 and the Board proposes to model the requirements of the Amendments to IFRS 9 on a similar basis.
- 14 Consequently, the Board proposes to add two tables to the IFRS Taxonomy—one for financial assets and the other for financial liabilities.

Table for financial assets

- 15 As a consequence of the requirements described in paragraph 12 above, the Board proposes the following new table for the IFRS Taxonomy:

Table text block

Element label	ET ^(a)	ER	Reference
Disclosure of financial assets affected by amendments to IFRS 9 for prepayment features with negative compensation	TB	D	IFRS 9.7.2.34

- (a) In this document 'ET' represents element type and 'ER' represents reference type. For element type, 'M' represents monetary and 'TB' represents text block. For reference type, 'D' represents disclosure.

Line items

Element label	ET	ER	Reference
Financial assets affected by amendments to IFRS 9 for prepayment features with negative compensation, measurement category immediately before applying amendments	T	D	IFRS 9.7.2.34(a)
Financial assets affected by amendments to IFRS 9 for prepayment features with negative compensation, carrying amount immediately before applying amendments	M	D	IFRS 9.7.2.34(a)
Financial assets affected by amendments to IFRS 9 for prepayment features with negative compensation, measurement category after applying amendments	T	D	IFRS 9.7.2.34(b)
Financial assets affected by amendments to IFRS 9 for prepayment features with negative compensation, carrying amount after applying amendments	M	D	IFRS 9.7.2.34(b)
Financial assets that were designated as measured at fair value through profit or loss before application of amendments to IFRS 9 for prepayment features with negative compensation that are no longer so designated	M	D	IFRS 9.7.2.34(c)
Description of reasons for designation or de-designation of financial assets as measured at fair value through profit or loss when applying amendments to IFRS 9 for prepayment features with negative compensation	T	D	IFRS 9.7.2.34(d)

Axes and members

- 16 To provide information for each class of financial assets, the table uses the existing IFRS Taxonomy axis 'Classes of financial assets' and its members.

Table for financial liabilities

17 As a consequence of the requirements described in paragraph 12 above, the Board proposes a new table for the IFRS Taxonomy, as follows:

Table text block

Element label	ET	ER	Reference
Disclosure of financial liabilities affected by amendments to IFRS 9 for prepayment features with negative compensation	TB	D	IFRS 9.7.2.34

Line items

Element label	ET	ER	Reference
Financial liabilities affected by amendments to IFRS 9 for prepayment features with negative compensation, measurement category immediately before applying amendments	T	D	IFRS 9.7.2.34(a)
Financial liabilities affected by amendments to IFRS 9 for prepayment features with negative compensation, carrying amount immediately before applying amendments	M	D	IFRS 9.7.2.34(a)
Financial liabilities affected by amendments to IFRS 9 for prepayment features with negative compensation, measurement category after applying amendments	T	D	IFRS 9.7.2.34(b)
Financial liabilities affected by amendments to IFRS 9 for prepayment features with negative compensation, carrying amount after applying amendments	M	D	IFRS 9.7.2.34(b)
Financial liabilities that were designated as measured at fair value through profit or loss before application of amendments to IFRS 9 for prepayment features with negative compensation that are no longer so designated	M	D	IFRS 9.7.2.34(c)
Description of reasons for designation or de-designation of financial liabilities as measured at fair value through profit or loss when applying amendments to IFRS 9 for prepayment features with negative compensation	T	D	IFRS 9.7.2.34(d)

Axes and members

- 18 To provide information for each class of financial liabilities, the table uses the existing IFRS Taxonomy axis 'Classes of financial liabilities' and its members.

Documentation labels for new elements

- 19 To provide clarity for users of financial statements, the IFRS Taxonomy includes documentation labels (also called definitions) for items in the IFRS Taxonomy. The table below includes the documentation labels for the new elements in the tables described in paragraphs 12–18.

Element label	Documentation label
Disclosure of financial assets affected by amendments to IFRS 9 for prepayment features with negative compensation	The disclosure of financial assets affected by the amendments to IFRS 9 for prepayment features with negative compensation.
Financial assets affected by amendments to IFRS 9 for prepayment features with negative compensation, measurement category immediately before applying amendments	The measurement category of financial assets affected by the amendments to IFRS 9 for prepayment features with negative compensation, immediately before applying the amendments.
Financial assets affected by amendments to IFRS 9 for prepayment features with negative compensation, carrying amount immediately before applying amendments	The carrying amount of financial assets affected by the amendments to IFRS 9 for prepayment features with negative compensation, immediately before applying the amendments.
Financial assets affected by amendments to IFRS 9 for prepayment features with negative compensation, measurement category after applying amendments	The measurement category of financial assets affected by the amendments to IFRS 9 for prepayment features with negative compensation, after applying the amendments.
Financial assets affected by amendments to IFRS 9 for prepayment features with negative compensation, carrying amount after applying amendments	The carrying amount of financial assets affected by the amendments to IFRS 9 for prepayment features with negative compensation, after applying the amendments.

continued...

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Element label	Documentation label
Financial assets that were designated as measured at fair value through profit or loss before application of amendments to IFRS 9 for prepayment features with negative compensation that are no longer so designated	The carrying amount of financial assets in the statement of financial position that were previously designated as measured at fair value through profit or loss but are no longer so designated when the entity applies the amendments to IFRS 9 for prepayment features with negative compensation. [Refer: Financial assets at fair value through profit or loss]
Description of reasons for designation or de-designation of financial assets as measured at fair value through profit or loss when applying amendments to IFRS 9 for prepayment features with negative compensation	The description of the reasons for any designation or de-designation of financial assets as measured at fair value through profit or loss when the entity applies the amendments to IFRS 9 for prepayment features with negative compensation. [Refer: Financial assets at fair value through profit or loss]
Disclosure of financial liabilities affected by amendments to IFRS 9 for prepayment features with negative compensation	The disclosure of financial liabilities affected by the amendments to IFRS 9 for prepayment features with negative compensation.
Financial liabilities affected by amendments to IFRS 9 for prepayment features with negative compensation, measurement category immediately before applying amendments	The measurement category of financial liabilities affected by the amendments to IFRS 9 for prepayment features with negative compensation, immediately before applying the amendments.
Financial liabilities affected by amendments to IFRS 9 for prepayment features with negative compensation, carrying amount immediately before applying amendments	The carrying amount of financial liabilities affected by the amendments to IFRS 9 for prepayment features with negative compensation, immediately before applying the amendments.
Financial liabilities affected by amendments to IFRS 9 for prepayment features with negative compensation, measurement category after applying amendments	The measurement category of financial liabilities affected by the amendments to IFRS 9 for prepayment features with negative compensation, after applying the amendments.

continued...

...continued

Element label	Documentation label
Financial liabilities affected by amendments to IFRS 9 for prepayment features with negative compensation, carrying amount after applying amendments	The carrying amount of financial liabilities affected by the amendments to IFRS 9 for prepayment features with negative compensation, after applying the amendments.
Financial liabilities that were designated as measured at fair value through profit or loss before application of amendments to IFRS 9 for prepayment features with negative compensation that are no longer so designated	The carrying amount of financial liabilities in the statement of financial position that were previously designated as measured at fair value through profit or loss but are no longer so designated when the entity applies the amendments to IFRS 9 for prepayment features with negative compensation. [Refer: Financial liabilities at fair value through profit or loss]
Description of reasons for designation or de-designation of financial liabilities as measured at fair value through profit or loss when applying amendments to IFRS 9 for prepayment features with negative compensation	The description of the reasons for any designation or de-designation of financial liabilities as measured at fair value through profit or loss when the entity applies the amendments to IFRS 9 for prepayment features with negative compensation. [Refer: Financial liabilities at fair value through profit or loss]

Appendix

IFRS Taxonomy content terminology

CORE—content markup for IFRS financial reporting disclosures	
<p>The IFRS Taxonomy has elements to capture IFRS financial reporting disclosures.</p> <p>These elements are described using:</p> <ul style="list-style-type: none"> • line items—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, Description of accounting policy for government grants. • axes and members—are information categories and components that accounting concepts can be broken down into or reported by, for example, Classes of property, plant and equipment. • IFRS Taxonomy axes and members are grouped with line items to create an IFRS Taxonomy table—these tables illustrate the logical combinations of line items and axes. 	<p>These IFRS Taxonomy elements have:</p> <ul style="list-style-type: none"> • element names and element identifiers—the computer tags used to uniquely identify and mark up the data; • element labels—human-readable names reflecting the accounting meaning of an element; • element types (ET)—used to describe the type of data values permitted, for example, text (T), text block (TB), monetary (M), decimal (DEC), percentage (P); and • element properties: <ul style="list-style-type: none"> • period—whether the element is expected to be reported for a period of time (a duration) or at a particular point in time (an instant); and • balance—used to describe whether the element is expected to generally be reported as a credit or a debit.

SUPPORTING—documentation and references for these IFRS financial reporting terms	
<p>The IFRS Taxonomy provides supporting content to help a user better understand the accounting meaning of an element.</p>	<p>This content includes:</p> <ul style="list-style-type: none"> • references used to link an element to the authoritative literature, for example, IFRS 15 <i>Revenue from Contracts with Customers</i>; • element reference types (ER) used to define the source for an element, for example, disclosure (D), example (E) and common practice (CP); and • documentation label used to provide a textual description of the accounting meaning of each element.
SUPPORTING—mathematical relationships between IFRS financial reporting terms	
<p>The IFRS Taxonomy provides supporting content to help a user better understand how elements may mathematically relate to each other.</p>	<p>For example, this content includes:</p> <ul style="list-style-type: none"> • summation of elements to a total or subtotal; and • a formula to indicate that an element is a ratio of other taxonomy elements.
SUPPORTING—IFRS Taxonomy organisation of the IFRS financial reporting terms	
<p>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.</p>	<p>The IFRS Taxonomy has specific presentation elements:</p> <ul style="list-style-type: none"> • headings; and • presentation groups. <p>These elements are not used when tagging financial statements. These headings and presentation groupings also have labels.</p>

**Approval by the Board of Proposed IFRS Taxonomy Update
Prepayment Features with Negative Compensation
(Amendments to IFRS 9) published in October 2017**

Proposed IFRS Taxonomy Update *Prepayment Features with Negative Compensation* (Amendments to IFRS 9) was approved for publication by 11 of the 14 members of the International Accounting Standards Board. Messrs Anderson and Lu and Ms Tarca abstained in view of their recent appointments to the Board.

Hans Hoogervorst Chairman

Suzanne Lloyd Vice-Chair

Nick Anderson

Martin Edelmann

Françoise Flores

Amaro Luiz de Oliveira Gomes

Gary Kabureck

Jianqiao Lu

Takatsugu Ochi

Darrel Scott

Thomas Scott

Chungwoo Suh

Ann Tarca

Mary Tokar