

October 2019

Proposed IFRS<sup>®</sup> Taxonomy Update  
PTU/2019/1

# IFRS Taxonomy 2019

*Interest Rate Benchmark Reform*  
Amendments to IFRS 9, IAS 39 and IFRS 7

Comments to be received by 13 December 2019

IASB<sup>®</sup>

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**IFRS<sup>®</sup> Taxonomy 2019**

**Proposed Update 1**

*Interest Rate Benchmark Reform*

**Amendments to IFRS 9, IAS 39 and IFRS 7**

*Comments to be received by 13 December 2019*

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## Overview of the proposed amendments to the IFRS Taxonomy

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### Introduction

In September 2019, the International Accounting Standards Board (Board) issued *Interest Rate Benchmark Reform*, which amended IFRS 9, IAS 39 and IFRS 7.

The amendments require qualitative and quantitative disclosures to enable users of financial statements to understand how an entity's hedging relationships are affected by the uncertainty arising from interest rate benchmark reform.

This Proposed IFRS Taxonomy Update reflects in the IFRS Taxonomy the new disclosure requirements introduced by the amendments.

The Board proposes to add six new elements to the IFRS Taxonomy, as described in paragraph 3. In addition, the Board proposes to add documentation labels for all the new elements created and an implementation note for one new monetary element, as described in paragraphs 8–10.

### Reading this proposed update

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*.<sup>1</sup> Appendix A provides brief explanations of IFRS Taxonomy terms used in this document.

### IFRS Taxonomy files

IFRS Taxonomy files are not provided for this Proposed IFRS Taxonomy Update because the changes are narrow in scope.

### Effective date

The amendments apply to annual periods beginning on or after 1 January 2020. Earlier application of the amendments, and therefore earlier use of the IFRS Taxonomy elements, is permitted.

### Next steps

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

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<sup>1</sup> 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>. *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-january-2019.pdf>.

## Invitation to comment

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.

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 amendments to the disclosure requirements of IFRS 7 described in paragraph 1?

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

### Question 2—Appropriate use of element labels

Do the labels of the proposed elements described in paragraph 3 faithfully represent the meaning of the elements?

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

### Question 3—Appropriate use of documentation labels

Do the documentation labels of the proposed elements described in paragraph 8 correctly define these elements?

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

### Question 4—Adequacy of the implementation note

Does the implementation note described in paragraph 10 provide sufficient guidance to determine the correct sign for reporting the element?

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

## Deadline

The Board will consider all comments received in writing by 13 December 2019 (60 days).

## How to comment

We prefer to receive your comments electronically. However, you may submit comments using any of the following methods:

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

Your comments will be on the public record and posted on our website unless you request confidentiality and we grant your request. We do not normally grant such requests unless they are supported by a good reason, for example, commercial confidence. Please see our website for details on this policy and on how we use your personal data.

## New disclosures introduced by the amendments

- 1 For hedging relationships to which an entity applies the exceptions set out in paragraphs 6.8.4–6.8.12 of IFRS 9 *Financial Instruments* or paragraphs 102D–102N of IAS 39 *Financial Instruments: Recognition and Measurement*, paragraph 24H of IFRS 7 *Financial Instruments: Disclosures*, as amended in September 2019, requires an entity to disclose:
- (a) the significant interest rate benchmarks to which the entity’s hedging relationships are exposed;
  - (b) the extent of the risk exposure the entity manages that is directly affected by the interest rate benchmark reform;
  - (c) how the entity is managing the process to transition to alternative benchmark rates;
  - (d) a description of significant assumptions or judgements the entity made in applying these paragraphs of IFRS 9 or IAS 39 (for example, assumptions or judgements about when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows); and
  - (e) the nominal amount of the hedging instruments in those hedging relationships.
- 2 Consequently, the Board proposes to add six new elements to the IFRS Taxonomy – five descriptive and one monetary.

### Proposed elements

- 3 To reflect in the IFRS Taxonomy the requirements described in paragraph 1, the Board proposes the following new elements:<sup>2</sup>

Element label	ET	ER	Reference
Disclosure of information about hedging relationships directly affected by uncertainty arising from interest rate benchmark reform [text block]	TB	D	IFRS 7.24H
Disclosure of significant interest rate benchmarks to which entity’s hedging relationships are exposed [text block]	TB	D	IFRS 7.24H(a)

*continued...*

<sup>2</sup> ‘ET’ and ‘ER’ represent element type and reference type, respectively. Element types ‘M’, ‘T’ and ‘TB’ represent monetary, text and text block element types, respectively. Refer to Appendix A for an explanation of the difference between text and text block. Reference type ‘D’ represents disclosure requirements.



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Element label	ET	ER	Reference
Disclosure of extent of risk exposure entity manages for hedging relationships directly affected by interest rate benchmark reform [text block]	TB	D	IFRS 7.24H(b)
Description of how entity is managing process to transition to alternative benchmark rates for hedging relationships	T	D	IFRS 7.24H(c)
Description of significant assumptions or judgements made in applying amendments for interest rate benchmark reform	T	D	IFRS 7.24H(d)
Nominal amount of hedging instruments in hedging relationships for which amendments for interest rate benchmark reform are applied	M	D	IFRS 7.24H(e)

- 4 The Board proposes to create an additional element ‘Disclosure of information about hedging relationships directly affected by uncertainty arising from interest rate benchmark reform [text block]’ to enable users of financial statements reported electronically to find all disclosures of the impact on hedging relationships because of the uncertainty arising from interest rate benchmark reform.
- 5 The Board proposes to create text block elements to tag disclosures that preparers might report in various formats (such as text or tables). To enable the use of various formats in electronic reports, the Board proposes to create text block elements rather than text elements for these disclosures:
- (a) ‘disclosure of significant interest rate benchmarks to which entity’s hedging relationships are exposed [text block]’; and
  - (b) ‘disclosure of extent of risk exposure entity manages for hedging relationships that is directly affected by interest rate benchmark reform [text block]’.
- 6 The Board proposes to create the new element ‘Nominal amount of hedging instruments in hedging relationships for which amendments for interest rate benchmark reform are applied’ as a monetary item type because the nominal amount of these hedging instruments is expected to be reported as a monetary amount.
- 7 IFRS 7, as amended in September 2019, requires the disclosures described in paragraph 1 at the entity level and does not prescribe specific disaggregation of the information. For this reason, the Board does not propose to create a table for those disclosures. However, axes for disaggregation of information by

type of hedging instrument, type of hedged item, type of risk or type of hedge are available in the IFRS Taxonomy.

### Documentation labels for new elements

- 8 The IFRS Taxonomy includes documentation labels (also called definitions) that clarify the accounting meaning of an element to help preparers identify the correct element to use when tagging financial statements and to help users of financial statements understand information reported electronically. The table below includes the proposed documentation labels for the new elements described in paragraph 3.

Element label	Documentation label
Disclosure of information about hedging relationships directly affected by uncertainty arising from interest rate benchmark reform [text block]	The disclosure of information about hedging relationships that are directly affected by the uncertainty arising from interest rate benchmark reform.
Disclosure of significant interest rate benchmarks to which entity's hedging relationships are exposed [text block]	The disclosure of significant interest rate benchmarks to which the entity's hedging relationships are exposed.
Disclosure of extent of risk exposure entity manages for hedging relationships directly affected by interest rate benchmark reform [text block]	The disclosure of the extent of the risk exposure the entity manages for hedging relationships directly affected by the interest rate benchmark reform.
Description of how entity is managing process to transition to alternative benchmark rates for hedging relationships	The description of how the entity is managing the process to transition to alternative benchmark rates for hedging relationships.
Description of significant assumptions or judgements made in applying amendments for interest rate benchmark reform	The description of significant assumptions or judgements the entity made in applying the amendments for interest rate benchmark reform.
Nominal amount of hedging instruments in hedging relationships for which amendments for interest rate benchmark reform are applied	The nominal amount of the hedging instruments in hedging relationships for which the entity is applying the exceptions in the scope of the amendments for interest rate benchmark reform. [Refer: Nominal amount of hedging instrument]

### Implementation note for new monetary element

- 9 Many IFRS Taxonomy elements are assigned a debit or credit balance attribute to help preparers determine the correct sign for the reported value. However, some monetary elements do not have a natural accounting balance of debit or credit. To provide preparers of electronic reports with sufficient guidance on

determining the correct sign for reporting such elements, the IFRS Taxonomy includes implementation notes for monetary elements without an assigned balance attribute.

- 10 The proposed element ‘Nominal amount of hedging instruments in hedging relationships for which amendments for interest rate benchmark reform are applied’ does not have a natural accounting balance of debit or credit and, as a result, has no assigned balance attribute. This element is expected to have a positive value in an electronic report because it is the nominal value of hedging instruments, rather than the carrying amount of hedging instruments recognised as an asset or a liability. The table below includes the proposed implementation note for the new monetary element.

Element label	Implementation note
Nominal amount of hedging instruments in hedging relationships for which amendments for interest rate benchmark reform are applied	A positive XBRL value should normally be entered for this element.

**Approval by the Board of Proposed IFRS Taxonomy Update  
*Interest Rate Benchmark Reform* published in October 2019**

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Proposed IFRS Taxonomy Update *Interest Rate Benchmark Reform*, which amended IFRS 9, IAS 39 and IFRS 7, was approved for publication by all 14 members of the International Accounting Standards Board.

Hans Hoogervorst Chairman

Suzanne Lloyd Vice-Chair

Nick Anderson

Tadeu Cendon

Martin Edelmann

Françoise Flores

Gary Kabureck

Jianqiao Lu

Darrel Scott

Thomas Scott

Chungwoo Suh

Rika Suzuki

Ann Tarca

Mary Tokar

## Appendix A—IFRS Taxonomy content terminology

The table in this appendix provides a brief explanation of the IFRS Taxonomy terms used in this document.

Core content—IFRS Taxonomy elements	
<p>The IFRS Taxonomy contains elements that represent disclosures in financial statements prepared applying IFRS Standards.</p> <p>These elements are described using:</p> <ul style="list-style-type: none"> <li>• <b>line items</b> – 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’.</li> <li>• <b>axes and members</b> – information categories and components that accounting concepts can be broken down into or reported by, for example, ‘Classes of property, plant and equipment’.</li> <li>• <b>tables</b> – logical groupings of IFRS Taxonomy axes, members and line items.</li> </ul>	<p>These IFRS Taxonomy <b>elements</b> have:</p> <ul style="list-style-type: none"> <li>• <b>element names and element identifiers</b> – unique computer tags used to identify and mark up the data.</li> <li>• <b>element standard labels</b> – human-readable names reflecting the accounting meaning of an element. Some elements have additional labels that provide more specific descriptions, for example to indicate a total or distinguish between opening and closing balances. Those additional labels do not alter the accounting meaning of the element but are used for presentation purposes when displaying IFRS Taxonomy content.</li> <li>• <b>element types (ET)</b> – categories of permitted data values, for example, text (T), text block (TB), monetary (M), decimal (DEC), percentage (P). <ul style="list-style-type: none"> <li>• <b>text element</b> types are used for narrative disclosure. They are also used when IFRS Standards do not specify the details of a disclosure requirement, but that disclosure requirement is expected to be expressed in free text format by a preparer.</li> <li>• <b>text block element</b> types are used for a set of information which may include, for example, numeric disclosures, narrative explanations, tables, etc.</li> </ul> </li> </ul>

*continued...*

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<b>Core content—IFRS Taxonomy elements</b>	
	<ul style="list-style-type: none"> <li>• <b>element properties</b>, such as the: <ul style="list-style-type: none"> <li>• <b>period</b>—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</li> <li>• <b>balance</b>—which indicates whether the element is generally expected to be reported as a credit or a debit.</li> </ul> </li> </ul>
<b>Supporting content—documentation and references for IFRS Taxonomy elements</b>	
<p>The IFRS Taxonomy provides supporting content to help users better understand the <b>accounting meaning</b> of an element.</p>	<p>This content includes:</p> <ul style="list-style-type: none"> <li>• <b>references</b>—which link an element to the authoritative literature, for example, IFRS 15 <i>Revenue from Contracts with Customers</i>.</li> <li>• <b>element reference types (ER)</b>—which define the source of an element, for example, disclosure (D), example (E) and common practice (CP).</li> <li>• <b>documentation labels</b>—which provide a textual definition of each element. The sources of these definition are the IFRS Standards and their accompanying materials, when available.</li> </ul>

<b>Supporting content—relationships between IFRS Taxonomy elements (linkbases)</b>	
<p>The IFRS Taxonomy uses the calculation linkbase to help users better understand how <b>elements</b> may relate <b>mathematically</b> to each other.</p>	<p>For example, this content includes:</p> <ul style="list-style-type: none"> <li>• <b>summations</b> of elements to a total or subtotal; and</li> <li>• <b>formulas</b> to indicate that an element is a ratio of other taxonomy elements.</li> </ul>
<p>The IFRS Taxonomy uses the presentation linkbase to provide <b>presentation views</b> under which the line items, axes and members (or combination of those as tables) have been grouped. This supports <b>human-readable</b> viewing and navigation of the IFRS Taxonomy.</p>	<p>The IFRS Taxonomy has specific <b>presentation</b> elements:</p> <ul style="list-style-type: none"> <li>• <b>headings</b>; and</li> <li>• <b>presentation groups</b>.</li> </ul> <p>These elements are not used when tagging financial statements. These headings and presentation groups also have standard <b>labels</b>.</p>
<p>The IFRS Taxonomy uses the definition linkbase to provide <b>views</b> under which the combined line items, axes and members (<b>tables</b>) have been grouped. This supports <b>computer-readable</b> use of the IFRS Taxonomy.</p>	<p>For example, the content includes:</p> <ul style="list-style-type: none"> <li>• a <b>definition</b> for each table; and</li> <li>• a <b>default member</b> for each axis.</li> </ul>