

The IFRS Taxonomy Consultative Group

Terms of reference and operating procedures

The IFRS Taxonomy Consultative Group is an expert consultative group established to assist the International Accounting Standards Board (IASB) in its IFRS Taxonomy and related activities. This document sets out its terms of reference and operating procedures.

Mission, objectives and scope of activities

1. Digital reporting using a single, high quality, easily enforceable and globally accepted taxonomy for International Financial Reporting Standards (IFRS) should help preparers and users of IFRS financial statements to more efficiently disseminate, access, process and connect disclosures and should facilitate the consistent application and implementation of regulatory electronic filing requirements.
2. The aim of the IFRS Taxonomy Consultative Group is to provide an advisory and review forum where members can contribute towards the goal of the IASB to maintain and develop the IFRS Taxonomy that meets the strategic vision as set out in paragraph 1. More particularly, the IFRS Taxonomy Consultative Group is established to:
 - (a) review in depth the IFRS Taxonomy and ensure that it meets expected market standards and best practices from both a data content and architectural perspective;
 - (b) provide technical advice and strategic implementation guidance on matters relating to the IFRS Taxonomy and IASB digital reporting activities; and
 - (c) provide guidance to IASB staff on matters relating to financial reporting ontology.
3. Main areas in which guidance is sought include, but are not limited to, data modelling of IFRS disclosures to facilitate easy preparation and consumption of electronic reports, impact of new XBRL specifications, interoperability with other taxonomies, documentation and supporting materials, internal and external education, operational business plans and the IFRS Taxonomy Due Process.
4. Members of the IFRS Taxonomy Consultative Group are expected to play an active role in the review of the taxonomy, and to answer questions such as:
 - (a) Have taxonomy elements attributes been applied correctly?
 - (b) Do the proposed taxonomy changes reflect adequately all disclosure requirements and the examples/illustrative guidance as set out in IFRS?
 - (c) Do the labels of elements accurately reflect the meaning of the taxonomy elements?
 - (d) Is the content of the taxonomy consistent with IFRS and technical specifications?
 - (e) Has correct and best use been made of the XBRL specifications?
 - (f) Has the IFRS disclosure been structured in such a way that it maximises the benefits to users consuming electronic data while at the same time taking into account the costs for preparers of tagging the data?
5. Members do not need to review all the proposed changes in each taxonomy release. The expectation is that members will focus on the areas matching their specific skill set or area of expertise. The Chair of the IFRS Taxonomy Consultative Group is responsible for involving and engaging those members that have specific expertise in the areas for which a review is sought by the IASB.

6. Strategic plans to promote consistent adoption and implementation of the IFRS Taxonomy fall within the scope of the activities of the IFRS Foundation. The IFRS Taxonomy Consultative Group focuses on providing technical advice with regard to the optimal technical architecture, appropriate documentation and supporting materials to facilitate and support market adoption.

Organisational structure

Membership

7. The IFRS Taxonomy Consultative Group comprises 16-20 members.
8. Members should be capable of making a positive contribution by having expertise, skills or practical knowledge relating to one or more of the following areas:
 - (a) XBRL technical expertise—involvement in the setting and/or deployment of XBRL technical specifications or physical compilation of XBRL-based taxonomies;
 - (b) taxonomy content domain expertise—taxonomy design or database modelling of IFRS or IFRS financial statements using XBRL or other technical specifications, XBRL taxonomy-related expertise for other content areas that is relevant to the IFRS Taxonomy; and
 - (c) taxonomy interest groups—taking in XBRL filings for consumption, general use of tagged as reported data for investment, credit and economic analysis, preparation of XBRL filings, adoption of the IFRS Taxonomy for regulatory or voluntary filing programmes.
9. The composition of the membership provides for a broad geographical spread and a range of functional backgrounds.
10. In addition to members, appointed observer status is granted to organisations that have a particular interest in electronic filing of financial statements, such as securities regulators and XBRL International (as the main developer of XBRL).
11. The IASB and the Chair of the IFRS Taxonomy Consultative Group may at their discretion invite individual(s) or representative(s) of an organisation to attend and participate in a specific meeting in which their contribution is considered to be useful in formulating the group's or the IASB's view on topics for which guidance is sought. In this capacity, they participate in the group discussions on the same basis as members.
12. The IASB consider nominations and select members, following a call for candidates. The Trustees' Due Process Oversight Committee (DPOC) review the proposed composition of ITCG to ensure an appropriate balance of perspectives, including geographical balance.
13. Members are appointed for a one-, two- or three-year term. Terms can be renewed but the period a member can serve on the ITCG usually would not exceed six years. Organisations may be reappointed for a period longer than six years when represented by a new individual. Terms may be staggered to ensure the expiry dates of all members do not fall at the same time. A member who has served on the ITCG would be eligible to serve again after a break of not less than three years.
14. Members are appointed in an individual or representative capacity, and at meetings or conference calls members are expected to express their individual views unless it is explicitly stated that they are the opinions of the organisations they represent.
15. Members are expected to make reasonable efforts to attend meetings and review taxonomy releases on a regular basis. The Chair of the IFRS Taxonomy Consultative Group and the IASB reserve the right to ask members to resign where it is considered that a member does not contribute actively to the objectives of the IFRS Taxonomy Consultative Group.
16. Given that the ITCG is established to assist the IASB, members agree that they will not, directly, indirectly, or on behalf of a third party, engage or solicit the

employment of any IFRS Foundation (including IASB) Technical Staff during the term of their appointment as an ITCG Member or for a period of 12 months following termination of their membership, without the prior written consent of the IFRS Foundation.

Chairmanship

17. The Chair of the IFRS Taxonomy Consultative Group is appointed by the Chair of the IASB from members of the IFRS Taxonomy Consultative Group or from members of the Board. The appointment of a member of the IFRS Taxonomy Consultative Group as Chair is for a period of one, two or three years. The appointment can be renewed but the period a member of the ITCG can serve as Chair usually would not exceed six years.
18. The main role and responsibilities of the Chair include but are not limited to the following:
 - (a) leading the IFRS Taxonomy Consultative Group and conducting its meetings in such a way as to ensure that the IASB and IASB staff receives timely and effective input;
 - (b) introducing each agenda topic and summarising opinions after each discussion;
 - (c) overview and planning of the IFRS Taxonomy review process, including work distribution to members;
 - (d) together with the IASB staff and following consultation with members, setting the agenda and format of the meetings; and
 - (e) where appropriate, participating or contributing to meetings of the IFRS Advisory Council relating to the IFRS taxonomy or electronic reporting.

Subcommittees

19. The Chair or the IASB may call for the establishment of subcommittees of knowledgeable members or external participants to provide expert guidance on specific topics. These subcommittees shall report to the IFRS Taxonomy Consultative Group.
20. The Chair or the IASB may call for the establishment of an Agenda Planning Committee which he/she presides over. The role of this committee is to aid the Chair with setting the agenda and planning of meetings.

Meetings

21. The frequency, format and timing of meetings are driven by the number and timing of taxonomy releases and how critical the topics are on which guidance is sought. Members are expected to attend two one-day face-to-face meetings a year and to participate in four one-hour telephone discussions a year. Additional meetings may be scheduled, or meetings may be shortened or cancelled. An initial face-to-face meeting will be organised on the formation of the group.
22. Face-to-face meetings are usually held in London. Travel and accommodation costs of attending the meetings shall be borne by the members attending the meeting. Members are recommended to attend all meetings in person. If attendance in person is not possible members may attend using teleconferencing, videoconferencing or any other electronic means.
23. The Chair and the IASB staff are responsible for preparing the agenda for each meeting in consultation with members. Reasonable efforts should be made to ensure that the agenda is distributed at least seven days before each meeting.
24. Agenda papers or supporting materials are prepared by the IASB staff, members of the IFRS Taxonomy Consultative Group or invited individuals or organisations. Reasonable efforts should be made to ensure that they are circulated at least seven days before each meeting.

25. Administrative support for the meetings, as well as recording of the minutes, is the responsibility of designated members of the IASB staff.
26. The IFRS Taxonomy Consultative Group need not reach a consensus view. The value of the consultative group comes from the interchange of ideas among members and the ability of the IASB staff to participate in that interchange.

External communication

27. The meetings of the IFRS Taxonomy Consultative Group are open to the public and webcast, except for administrative items, which are dealt with in closed sessions. Any individuals or members of the public may register as observers in advance of the meeting.
28. The agenda and papers, except those related to administrative items, are available to the public and are posted on the IASB website. A recording of the meeting is also made available.

Review of the IFRS Taxonomy Consultative Group

29. The IFRS Taxonomy Consultative Group is reviewed as part of the annual review of consultative groups by the Due Process Oversight Committee.