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**International  
Accounting Standards  
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*This document is provided as a convenience to observers at IASCF meetings, to assist them in following the discussion.*

## **INFORMATION FOR OBSERVERS**

**IASCF Trustees Meeting  
1-2 April 2009**

### **Agenda Paper 7A**

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## **IASC Foundation XBRL Team Status Update**

### Executive Summary

The planned release date of the IFRS Taxonomy 2009 is 2<sup>nd</sup> April. In order to answer market expectations on quality assurance, the Due Process Handbook for the XBRL Activities is also being produced.

The XBRL team has conducted extensive discussions on potentially contributing to the development of IFRS Taxonomy Extensions and will submit a paper outlining the key factors for consideration, including background, scope and objectives, process and organisation, and costs.

## **1 Update on IFRS Taxonomy development**

### ***1.1 IFRS Taxonomy 2009***

As expected and according to the Due Process (see further), the final version of the IFRS Taxonomy 2009 will be released on 2<sup>nd</sup> April.

Due to the publication of the IFRS Bound Volume on 10<sup>th</sup> March, the XBRL team decided to extend the period of comments by two weeks (24<sup>th</sup> March instead of 12<sup>th</sup> March). This decision did not impact the final release date.

The number and the quality of comments received on the draft Taxonomy 2009 have been significantly higher this year than last year. Comments were received from numerous accounting organisations (Deloitte, the European Federation of Accountants – FEE) and also preparers (Dexia, BP, United Technologies). These comments have been considered and in most cases integrated in the final

version of the Taxonomy 2009. Where suggestions have not been incorporated into the final version, clear reasons for this have been provided (i.e. extensions, extend the period of comments).

Decision 1: The Trustees are requested to support the release of the final version of the IFRS Taxonomy 2009 and to provide a quote in the press release that will be issued with it.

## ***1.2 Quality Assurance***

As discussed in New Delhi, the XBRL team has prepared a Due Process Handbook for the XBRL Activities, covering the team's two areas of expertise - technology and financial reporting.

The due process comprises of the following stages: planning and analysis, technology evaluation, alignment with underlying IFRSs, taxonomy building, review of taxonomy drafts, and taxonomy publication and maintenance.

The Due Process Handbook for the XBRL Activities has been submitted to the Trustees Due Process Oversight Committee and now requires approval by the Trustees. Once approved, the XBRL team recommends that the Handbook be released as it is, without a formal public review and the release of an Exposure Draft..

Decision 2: The Trustees are required to approve the Due Process Handbook for the XBRL Activities. Is the current version to be released or do the Trustees require it to be released for public comment as an Exposure Draft?

## ***1.3 XBRL Board Advisory***

Since February, the XBRL Board Advisory has been incepted. It comprises of:

- Board members: Steve Cooper (Chair), Bob Garnett, Philippe Danjou and Prabhakar Kalavacherla (PK);
- Alan Teixeira, Director of Technical Activities;
- Olivier Servais, Director and Holger Obst, Project Manager (XBRL team).

As stated in the previous Trustee report, the objectives of the XBRL Board Advisory are to:

- provide the Board with regular updates on XBRL developments and the XBRL team's activities;
- facilitate the contribution of XBRL to the development of the IFRSs (i.e. Presentation of Financial Statements – IAS 1)
- provide the Board with an opportunity to ensure the compliance of the IFRS Taxonomy with approved IFRSs and to explicitly endorse this compliance via a public statement;
- advise on the XBRL team's new Vision and Strategy, and in particular to act as a sounding board on the subject of IFRS Taxonomy Extensions.

To date, two meetings of the XBRL Advisory Board have taken place. A meeting with the XBRL team and the Board is scheduled for April, to:

- provide an update on XBRL activities;
- provide an update on XBRL adoption projects around the world;
- discuss issues of quality assurance;
- discuss Extensions.

## ***1.4 Other developments***

### **1.4.1 Interoperable Taxonomy Architecture (ITA)**

In October 2007, the Japan FSA, IASCF and the US SEC initiated the **Interoperable Taxonomy Architecture (ITA) project**. The aim of the project is to align the EDINET, IFRS and US GAAP taxonomy architectures.

The first deliverable, the Taxonomy Comparison Framework (TCF), has been reviewed by XBRL International and will soon be published for public comments. The ITA Guide is planned for release in June, but may be delayed in order to incorporate comments from the TCF.

### **1.4.2 IFRS for Not Publicly Accountable Entities (NPAEs)**

As planned, the XBRL team has started development of the **IFRS for Not Publicly Accountable Entities (NPAEs) Taxonomy** and an Exposure Draft is planned for released alongside the standard in Q2-2009.

### **1.4.3 IFRS Taxonomy Module Manager (ITMM)**

ITMM provides an interactive graphical interface that guides users through the navigation and selection of IFRS Taxonomy modules. The ITMM is as an entry point (in the form of a schema or empty instance document) and the starting point for an extension or a direct filing. In its most recent version, the ITMM has been fully integrated with the IFRS Taxonomy viewer. As stated in the Trustees' meeting in January, the ITMM was conceived with open source tools and, consequently, the open source version of its code was released on 26<sup>th</sup> February.

### **1.4.4 Translations**

As stated in previous Trustee reports:

- the XBRL team is working closely with IASCF Translations department;
- the development of XBRL label translations into European languages has been impacted by contractual obligations with the European Commission;
- due to these obligations, the IFRS Taxonomy 2008 has only been translated into simplified Chinese.

Nevertheless, translations will commence in early April as soon as the IFRS Taxonomy 2009 is released. Priority translations of the IFRS Taxonomy 2009 will be Chinese, Dutch, French, German, Italian and Spanish.

## **2 Update on XBRL Team and budget**

### ***2.1 Staff***

There have been no changes since the previous report.

### ***2.2 Budget and Funding***

The change in structure of the team (only permanent staff) has not impacted the budget approved by the Trustees in July 2007. Contingent on any decisions on Taxonomy Extensions (see below), no change in budget is expected.

## **3 Update on XBRL Advisory Council and XBRL Quality Review Team**

### **3.1 XBRL Advisory Council (XAC)**

#### **3.1.1 Outcome of the XAC meeting on 11th March 2009**

The XAC meeting on 11th March was mainly dedicated to discussions on:

- quality assurance of the IFRS Taxonomy;
- IFRS Taxonomy Extensions;
- update from XAC members:
  - XBRL adoption in Japan;
  - XBRL for non financial data (i.e. sustainability, EBR, GRI) and ties to our activities;
  - XBRL for European statistical reporting (ECB/Eurostat).

Regarding quality assurance, XAC members expressed full support on the production of the Due Process Handbook for XBRL Activities and regard it as a major step towards international recognition of the quality of the XBRL activities of the IASC Foundation. Members also responded very favorably to the recent inception of the XBRL Board Advisory, and again regard it as another important step toward potential endorsement of the IFRS Taxonomy by the Board.

Comments received from XAC member on the subject of Extensions are detailed in the dedicated section (section 4).

#### **3.1.2 Membership**

Taylor Hawes has taken on a new role within Microsoft as CFO Intellectual Property & Licensing and has no longer enough time to allocate to XAC. He is recommending Scott Godwin for replacing him on XAC. Scott is Senior Director, Global Finance and Services at Microsoft Corporation and his full bio is attached as Agenda Paper 7C. Team is recommending Trustees to approve this replacement.

Decision 3: Approve the replacement on the XAC of Taylor Hawes by Scott Godwin, Senior Director, Global Finance and Services – Microsoft Corporation

### **3.2 XBRL Quality Review Team**

#### **3.2.1 Outcome of the XQRT meeting on 12 March 2009**

The XQRT meeting on 12 March 2009 was mainly dedicated on discussions on:

- accounting and technology changes to the IFRS Taxonomy 2009;
- enhancements to the IFRS Taxonomy global dimensions;
- deliverables for the IFRS Taxonomy 2009 release
- updates on the activities of the ITA project;
- ideas for the future direction of the IFRS Taxonomy architecture (with special focus on dimensional data modelling).

#### **3.2.2 Membership**

There are no new applications for XQRT membership.

## **4 IFRS Taxonomy Extensions**

This section is a summary of the Preliminary Views on the IFRS Taxonomy Extensions (Agenda 7B) and reflects discussions with the XAC, XQRT and XBRL Board Advisory.

### **4.1 Background**

The annual IFRS Taxonomy reflects the Bound Volume of IFRS as published annually by the Board. Although all industry-specific disclosure requirements in the IFRSs are included in the IFRS Taxonomy, there are demands from particular industries for the provision of additional reporting items to improve comparability between different taxonomies. The IASC Foundation XBRL team has been identified by representative stakeholders as an appropriate body to provide these additional reporting items.

### **4.2 Definition**

IFRS Taxonomy extensions, as potentially developed by IASC Foundation, are common practice reporting items that, although not explicitly named, are addressed in IFRSs as additional and relevant disclosures.

### **4.3 Objective and scope**

Since its creation in 2001, the mission of the XBRL team has been to develop the IFRS Taxonomy as a framework for the consistent adoption and implementation of IFRSs with a high-quality taxonomy in the same languages and at the same time as the annual Bound Volume of IFRSs.

The objective now is to provide *a comprehensive and consistent set of broadly accepted common practice reporting items derived mainly from industry-specific business activities.*

The scope of the XBRL team's activities is intended to include the development of IFRS Taxonomy extensions of common reporting items presented in financial statements, notes and management commentary.

### **4.4 Responsibilities and Process**

In addition to developing the core IFRS Taxonomy the XBRL team shall also be responsible for developing IFRS Taxonomy extensions. This would be an extension of, rather than a departure from, the team's current mission statement though the team's active role in the development of the IFRS Taxonomy extensions may require adjustments to the team's strategy, due process and budget.

An illustrative process for IFRS Taxonomy Extensions could be:

- collecting information;
- analysis and identification;
- further stages i.e. technology evaluation, taxonomy building, review of taxonomy drafts, and taxonomy publication and maintenance.

### **4.5 Organization and costs**

The involvement of the XBRL team in the development of IFRS Taxonomy Extensions will require in-depth analysis of the exact scope of the new activities. The XBRL team anticipates the following human resource requirements for the development of IFRS Taxonomy Extensions:

- project managers;
- accountants;
- investors/analysts;
- IT/Technology developers.

The contractual aspect of expanding the human resources base will comprise of a mix of full time staff and external (outsourced) resources. Also secondments will be considered, in particular for acquiring resources/expert knowledge for a specific industry.

#### **4.6 *Timeline***

If these preliminary views are approved by the Trustees, a detailed paper will be submitted for review at the July meeting. The tentative timeline is as follows:

- 11 March 2009: discussion with XAC;
- 17 March 2009: discussion with the Board;
- March-April-May 2009: development of an approach with the Board;
- June 2009: review of proposed approach with the Due Process Oversight Committee;
- 7 July 2009: approval of approach by Trustees.

Decision 4: Approve the XBRL team's preliminary views, in particular the decision to work with the Due Process Oversight Committee and the decision to submit a new Vision and Strategy paper to the Trustees for review at the next meeting in July.

### **5 Update on other XBRL adoption developments**

The XBRL team invites the Trustees to pay attention to the XBRL Update newsletter which provides a comprehensive overview of XBRL developments and projects around the world.