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
New York, 7 October 2009

REPORT OF THE EDUCATION AND PUBLICATIONS COMMITTEE

Agenda Paper 4

IASC Foundation XBRL Team
Summary to the Feedback Statement and to the revised Due Process

Context

Upon the Trustees' request during the XBRL Update at the meeting in London on 1 April, the *Due Process Handbook for the XBRL Activities* was released for public comment on the IFRS website for a minimum comment period of 90 days, between 2 April and 17 July 2009.

The objective of the *Due Process Handbook for XBRL Activities* is to set out the IASC Foundation's XBRL mission, methodology and scope of work. It describes the mandatory procedures followed in developing the IFRS Taxonomy and in all other XBRL activities. In order to achieve the necessary level of quality, a substantial effort has been devoted to reviewing and defining a proper due process. The due process of the International Accounting Standards Board (IASB) for setting IFRSs has been taken as a reference.

Public consultation on the exposure draft *Due Process Handbook for XBRL Activities* has been extensive and was conducted by the means of a formal review and also formal and informal consultations with the XBRL Board Advisory Group, XBRL Advisory Council (XAC), XBRL Quality Review Team (XQRT) and other constituents. A total of 11 comment letters were received on the exposure draft *Due Process Handbook for XBRL Activities*, and all comments were published on the IFRS website unless requested otherwise by the respondent.

During its deliberations, the IASCF XBRL team considered the feedback received in the comment letters along with concerns and matters raised through its other consultations. All comments have been given due consideration and the result is a significant degree of difference between the exposure draft and the revised (to be final) *Due Process Handbook for XBRL Activities*.

The XBRL team has submitted three documents for review by the Trustees' Due Process Oversight Committee:

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- A proposal for a final Due Process Handbook;
- A proposal for a Summary and Feedback statement;
- A spreadsheet summarising all comments received on the exposure draft Due Process Handbook.

Feedback statement

Below is a summary of the most significant changes that have been implemented in the *Due Process Handbook for XBRL Activities* following the public review.

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1. In response to concerns expressed by respondents, the IASCF XBRL team has amended the organisation and operating procedures of the XQRT. A Chairman of the XQRT has been introduced to enhance the efficiency of the XQRT, and the decision-making mechanisms of the XAC and XQRT have also been clarified.

2. In response to concerns expressed by respondents, the IASCF XBRL team has amended its statement that the primary stakeholders of the IFRS Taxonomy are investors, to include all users of financial statements as prescribed in the IASB Framework for the Preparation and Presentation of Financial Statements. The reason being that it is understood that while IFRSs and the IFRS Taxonomy are not always used for the same purposes, both IFRSs and the Taxonomy support the users of financial statements.

3, The IASCF XBRL team has reinforced statements concerning the ongoing nature of IFRS Taxonomy development. In particular, the release of IFRS Taxonomy extensions for additional IFRSs (ie. IFRSs released after the final annual IFRS Taxonomy or exposure drafts of IFRSs).

4. In response to concerns expressed by respondents regarding the stability of the IFRS Taxonomy architecture, the IASCF XBRL team has formalised the process of introducing changes to the architecture of the IFRS Taxonomy by consulting the public on any proposed changes by the means of a Request for Information, and allowing public review of amended IFRS Taxonomy architecture proposals by the means of a Taxonomy Architecture Draft document that precedes the XQRT review and exposure draft. Furthermore, the XBRL team's approach to cost/benefit analysis in assessing the impact of introducing changes in the IFRS Taxonomy has been clarified.

5. The IASCF's disclaimer has now been revised and included the Handbook: *The IASCF has put in place this formal due process procedure. Every effort is made to ensure that the IASCF XBRL activities comply with this due process procedure. Whilst all reasonable endeavours have been made to ensure the accuracy of the Taxonomy and compliance with due process, neither the IASCF, the IASB, XBRL International, nor any other associated entity accept any responsibility for loss caused to any person who acts or refrains from acting in reliance on the material in the Taxonomy, whether such loss is caused by negligence or otherwise.*

Next steps

There are currently ongoing discussions taking place that may impact the *Due Process Handbook for XBRL Activities* in the future, and which run along two themes.

The first concerns the increased involvement of the IASB and its technical staff in the development of the IFRS Taxonomy, in particular during the implementation of IFRSs stage when the content of the IFRS

Taxonomy is aligned with the underlying IFRSs issued by the IASB. This discussion between the XBRL team and members of the XBRL Board Advisory Group is ongoing.

The second topic concerns extending the scope of the IASCF's XBRL activities to include the development of common practice and industry-specific disclosure items for the IFRS Taxonomy. This discussion between the XBRL team, the IASB, the Trustees of the IASCF and the XAC is also ongoing. Any changes to the Due Process for XBRL Activities arising from these consultations shall be released for public review.

The outcome of both discussion should not be regarded as obstacles to the approval of the revised (to be final) Due Process Handbook for XBRL Activities.