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International
Accounting Standards
Committee Foundation

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
London 29 March – 1 April 2010

Agenda Paper 12A

Business Plan

**Project: Development of IFRS Taxonomy
Extensions**

Release: 1.0

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1. Project Initiation Document History

1.1. Revision History

Date of this revision:

Date of next revision:

Revision date	Previous revision date	Summary of Changes	Changes marked
2010-03-01	-	First issue (merge of reviewed business case into abbreviated business plan)	

1.2. Approvals

This document requires the following approvals.

Signed approval forms should be filed appropriately in the project filing system.

Name	Signature	Title	Date of Issue	Version
Olivier Servais		Director – XBRL Activities	2010-03-01	1.00

1.3. Distribution

This document has been distributed to:

Name	Title	Date of Issue	Version
Tom Seidenstein	Chief Operating Officer	2010-03-01	1.00

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3. Executive Summary

The IASC Foundation develops the IFRS (International Financial Reporting Standards) Taxonomy, which reflects the IFRSs as issued by the IASB. The IFRS Taxonomy 2010 contains approximately 2,100 concepts (tags) which incorporate concepts from the IFRS Bound Volume and the IFRS for Small and Medium-sized Entities (SMEs). The IFRSs do not include common-practice or industry-specific disclosure requirements and therefore such concepts are not included in the IFRS Taxonomy.

A number of stakeholders (including regulators and analysts) have requested that the IASC Foundation consider providing such concepts (in addition to the concepts currently available in the IFRS Taxonomy) in the form of a single set of global IFRS Taxonomy extensions. These stakeholders recognise the risks arising from the uncoordinated development of IFRS Taxonomy extensions by different parties across the world, with the main concern being **information incomparability** resulting from the proliferation of tags for the same concept.

The IASC Foundation has established a position that it should not undertake the development of IFRS Taxonomy extensions alone. The reasons for this recommendation are:

- resource constraints,
- to avoid compromising the IASC Foundation's other XBRL activities (namely the ongoing maintenance of the IFRS Taxonomy),
- to ensure that the extensions meet the needs of all stakeholders, and
- to ensure that the development of extensions do not achieve "authoritative" status outside the established standard-setting process.

Therefore, the IASC Foundation has pursued the development of IFRS Taxonomy extensions as a coordinated initiative, whereby representatives of interested stakeholders are actively involved in - and are therefore collectively responsible for - the development of these extensions. It is therefore proposed that an Extensions External Experts Panel¹ (EEEEP) be created to lead the development of IFRS Taxonomy extensions².

The EEEP is envisaged as a long-standing body, responsible for the initial development of IFRS Taxonomy extensions and also their ongoing maintenance, to ensure that they remain consistent with changes in IFRSs and the IFRS Taxonomy. By operating thus, the EEEP would address market demands and also facilitate wider adoption of the IFRS Taxonomy.

It is not envisaged that the EEEP should be an IASC Foundation body. The IASC Foundation XBRL Team currently perceives that its role should be that of moderator, facilitator, or inceptor. Therefore while the IASC Foundation XBRL Team shall contribute to the inception of the EEEP, and foresees that it will be a member of the EEEP, no further commitments (monetary or otherwise) are expected at this stage.

It is expected that the initial development of extensions will require a significant, concerted effort to meet the time scales of regulatory bodies adopting IFRSs, and the ongoing maintenance and development of these extensions will also require significant resources, albeit less than required during the development stage.

At their meeting in October 2009, the Trustees approved the decision to allow the IASC Foundation XBRL Team to prepare a business plan and to initiate contacts for a collaborative IFRS Taxonomy extension development initiative.³ Acting only as a facilitator and in order to solicit views from various

¹ Name is subject to change.

² Appendix C provides more detailed information on the EEEP.

³ The topic of IFRS Taxonomy extensions has been discussed with a number of IASB/IASC Foundation bodies on a number of occasions.

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interested parties the IASC Foundation organised a roundtable⁴ on the topic of IFRS Taxonomy extensions on 10 December 2009.

This document contains the IASC Foundation XBRL Team's recommendations for the initial creation of the EEEP and the IASC Foundation's role as facilitator to this inception. Because these recommendations are restricted to the genesis of the EEEP only, this document should be regarded as an abbreviated business plan. It is provided to the Trustees to obtain their approval for the IASC Foundation XBRL Team to undertake further actions to facilitate this inception including:

- contact parties interested in the inception of the EEEP and especially representatives from:
 - regulators and supervisors,
 - accounting firms, and
 - usersto confirm their interest and commitment to contribute, in resources (time, funding, human resources) to the inception of the EEEP;
- organize second roundtable to facilitate contacts and decision making in the inception of the EEEP;
- prepare an extended business plan for the inception stage to organize and structure the activities (MoU, Charter...) including detailed a work plan, budget, team functions and job descriptions, etc...;
- secure a sustainable funding mechanism for the EEEP.

Decision: The Trustees are invited to approve the XBRL Team's recommendation to facilitate the inception of a new body devoted to the development and maintenance of IFRS Taxonomy extensions.

⁴ Appendix A provides more detailed information on the roundtable.

4. Definition and Scope of the Initiative

This section provides more detail on the definition, objectives and scope of the development of IFRS Taxonomy extensions, with particular focus on the inception of the EEEP.

4.1. Project Approach

The IASC Foundation XBRL team perceives that the development of IFRS Taxonomy extensions can be considered in three stages - inception, development and maintenance.

- inception - the initial part of the inception stage involves the genesis of the EEEP and is to be facilitated by the IASC Foundation. The second part of the inception stage will involve the formalisation of the EEEP's governance by the EEEP itself. This will include the securing of funding, designating a host organisation, recruitment and resourcing, and planning the development stage.⁵
- development - the development stage will involve the development, quality control and assurance, review and publication of IFRS Taxonomy extensions, and also planning the maintenance stage.
- maintenance - the maintenance stage will involve converting the singular development of IFRS Taxonomy extensions into a long-term, cyclical process whereby the extensions are consistently updated and maintained in line with IFRSs and the IFRS Taxonomy.

As previously stated, this document contains the IASC Foundation XBRL Team's recommendations for the initial inception of the EEEP and the IASC Foundation's role as the facilitator of this inception.

4.2. Objectives

The objective of the initiative is perceived to be: **to create a single set of high quality IFRS Taxonomy extensions, in the form of common-practice and industry-related concepts, in order to support financial reporting (preparer's side) and analysis (users) using the IFRS Taxonomy.**⁶

While the objective of the initiative as a whole is to develop IFRS Taxonomy extensions, the objective of the inception stage is the establishment of the EEEP itself. The desired outcome of this stage is to have a functioning EEEP which will then formalise its governance, including funding structure. Another objective of this stage is an inaugural meeting of the EEEP. A key assumption is that a host⁷ organisation will be identified, who will be responsible for coordinating the initiative. If the establishment of a new legal entity is required then a separate business plan should be developed.

This document has outlined only the high-level goal for the development of IFRS Taxonomy extensions. The extended business plan for the development and maintenance stages should provide SMART (specific, measurable, achievable, realistic and timely) objectives⁸ for the development of the extensions.

4.3. Guidelines for compatibility

The activities entailed in the development of IFRS Taxonomy extensions and the inception of the EEEP shall comply with the following requirements to ensure compatibility with IFRS taxonomy development and the continued participation of the IASC Foundation's XBRL team:

⁵ Appendix D provides more detailed considerations for the inception stage.

⁶ Appendix B provides more detailed information on IFRS Taxonomy extensions.

⁷ Although the IASC Foundation is regarded as a potential host for the EEEP (and permanent staff could be located at the IASC Foundation's premises), this document assumes only that a host organisation has been identified without bias or reference to which organisation should be the host.

⁸ An example of a possible EEEP SMART objective could be, for example "... to achieve coverage of 85% of detailed items reported for 20 major IFRS jurisdictions from 50 major companies from each jurisdiction until 31.04.2011".

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- they shall be linked and consistent with the IFRS Taxonomy: this requirement should be assured by the use of concepts from, and the architecture of the IFRS Taxonomy in the extensions. This will ensure that the extensions remain consistent with the IFRS Taxonomy – and therefore also IFRSs.
- they shall be conducted in accordance with the IASC Foundation's due process for XBRL activities: this should be reflected by a separate due process document that relates to extensions specifically, but which takes into consideration the due process for the development of the IFRS Taxonomy. It also recommended that this due process adopt a similar approach to quality assurance and soliciting comments as the IASC Foundation's due process for XBRL activities.
- they shall not conflict with the interests or work plan of the IASB/IASC Foundation: the activities and outcomes of the EEEP should not undermine or conflict with the activities or outcomes of the IASB/IASC Foundation.

5. Business Case

This section provides more detail on the abbreviated business case, with particular focus on the justification for undertaking the activities related to the development of IFRS Taxonomy extensions and the inception of the EEEP.

5.1. Reasons

An IFRS Taxonomy extension can be defined as being comprised of **concepts representing additional information necessary to fulfil the requirements of IFRS principles, which are not specifically identified in IFRS but provide more detail in accordance with specific industry, local/regional, supervisor, preparer or user requirements.**

The definition concerns three levels of IFRS Taxonomy extensions:

- common-practice extensions,
- industry-specific extensions, and
- local/jurisdictional extensions.

The IASC Foundation develops the IFRS Taxonomy following a “standard approach”, whereby the IFRS Taxonomy is developed by implementing each IFRS sequentially. The IFRS Taxonomy 2010 contains approximately 2,100 concepts (tags) representing disclosure requirements from the IFRS Bound Volume and the IFRS for SMEs. Because the IFRSs seldom provide specific requirements for common-practice or industry-specific disclosures, these disclosure requirements are not provided in the IFRS Taxonomy. This is in contrast to other taxonomies, such as the US GAAP Taxonomy which contains over 17,000 concepts and includes concepts for common-practice and industry-specific disclosures.

Currently, in the absence of common-practice and industry extensions, entities using the IFRS Taxonomy for reporting purposes are creating their own entity-specific concepts. This has resulted in the proliferation of different tags for concepts that are the same.⁹ It is estimated that the percentage of tags in a set of financial statements that are specific to an entity, and are therefore not comparable with other entities, is estimated to be between 5% to 50% (depending on the jurisdiction and/or the industry). This situation creates difficulties for regulators and analysts, for whom minimal numbers of entity-specific disclosures are ideal, in order to enhance comparability.

Some regulators provide their own extensions to the IFRS Taxonomy for their specific reporting requirements. Although this reduces the number of entity-specific concepts created when reporting to a specific regulator, there are still variations in these concepts between different regulators, therefore it does not resolve the problem of different tags being created for the same concept when it is not provided in the IFRS Taxonomy.

An internationally-recognised body is needed to coordinate, develop, maintain and provide authoritative support for a set of IFRS Taxonomy extensions, in order to prevent this proliferation from obstructing the purpose of the IFRSs to achieve global comparability. An independent body whose membership consists of expert stakeholders will ensure that the developed extensions will be of a high quality, both in terms of XBRL architecture and financial reporting content, that these extensions are developed in the interests of those who are affected by their implementation, and also that these extensions are available and relevant to an international audience. A transparent, consultative and representative approach to the development of IFRS Taxonomy extensions should allow for their wide adoption and broad support.

The current mandate for IFRS filing in various jurisdictions and the increasing number of regulators putting in place voluntary or mandatory XBRL tagging requirements makes the development of IFRS Taxonomy extensions a matter of urgency.

⁹ The development of IFRS Taxonomy extensions has started in Australia, Chile, Europe, Japan, Singapore, South Africa, US and UK.

5.2. Role of the IASC Foundation

At their meeting in October 2009, the Trustees approved the decision to allow the IASC Foundation XBRL Team to draft a business plan and to initiate contacts for the potential inception of the EEEP.¹⁰

It is not envisaged that the EEEP should be an IASC Foundation body. The IASC Foundation XBRL Team currently perceives that its role should be that of moderator, facilitator, or inceptor, and that its activities should be limited to the following:

- facilitating contacts among potential members.
- providing facilities such as office space, accommodation, etc to enable the inception of the EEEP (costs to be considered).
- providing human resource to the project (costs to be considered).
- providing expertise and guidance in the project inception and management.
- potentially acting as a host organisation.

The IASC Foundation shall act as facilitator to the inception of the EEEP and therefore the majority of the afore-mentioned activities will be undertaken during this initial inception stage. However the IASC Foundation XBRL Team foresees that its involvement in the EEEP is more likely than not to continue beyond this initial inception stage, therefore these activities may also be undertaken during the development and maintenance stages. The impact on the activities of the IASC Foundation XBRL Team needs to be further assessed.

5.3. Expected benefits

The EEEP's work in developing and maintaining IFRS Taxonomy extensions for common-practice and industry-specific concepts will deliver the following benefits:

- prevent the development of multiple IFRS Taxonomy extensions by different jurisdictions/regulators,
- ensure that IFRS Taxonomy extensions are consistent with IFRSs and the IFRS Taxonomy, thereby ensuring their ongoing integrity and quality,
- support adoption of the IFRS Taxonomy (and therefore also IFRSs) around the world,
- increase the participation of stakeholders in the IFRS Taxonomy extension decision-making and development process, thereby ensuring that the extensions fulfil stakeholders' needs, and
- fulfil international market demands and regulatory requirements.

5.4. Potential downsides

Although no significant concerns have been raised concerning the proposed constitution of the EEEP during preliminary discussions with potential members, different stakeholder groups may perceive the following potential downsides:

- IASB/IASC Foundation will not be the sole authority regarding IFRS taxonomy extensions. The establishment of an independent EEEP establishes the principle that IFRS Taxonomy extensions are not a proxy for detailed industry standards issued by the IASB. However it is expected that the extensions will be widely-used as a basis for reporting and may therefore impact the standardisation of practices adopted with IFRS. There may be an argument that control of this allows the IASB continuity in ensuring the quality of IFRS reporting.
- If it is decided that inclusion in the initiative is dependent on funding, there is a risk that large corporations/accounting firms and regulators will dominate the initiative, thereby belying the EEEP's independence and creating a bias towards the interests of these groups. The method

¹⁰ Appendix A provides more details on the roundtable held on 10 December 2009.

of governance and the funding structure of the EEEP will be important in establishing a balanced and representative membership.

- Preparers may prefer an approach where there is minimal standardised tagging in order to allow them to create entity-specific tags. This position is antithetical to the objectives of the EEEP however, if the purpose of these entity-specific tags is to clearly represent idiosyncratic concepts, this is not prevented by the existence of a single set of IFRS Taxonomy extensions.

5.5. Major risks for incepting EEEP or ... not

Developing a single set of high quality global IFRS Taxonomy extensions has the following potential risks which should be carefully considered and managed:

- Key stakeholders may not accept the EEEP approach. This can be overcome by identifying these stakeholders and consulting them regularly on the establishment of the EEEP and the development of IFRS Taxonomy extensions.
- Shortfall in funding for the development of IFRS Taxonomy extensions.
- Slow adoption of IFRS Taxonomy extensions.

While there are risks associated with the coordinated development of IFRS Taxonomy extensions, it should also be noted that there are also associated risks with not doing so:

- Absence of extensions will lead to incomparability of financial information reported in IFRSs for disclosures that are not explicitly stated in the IFRSs, which will undermine adoption and implementation of the IFRSs.
- Uncoordinated development of entity-specific IFRS Taxonomy extensions for common-practice and industry-related disclosures will undermine the credibility of the IFRS Taxonomy.
- Lack of extensions will create a barrier to the adoption of the IFRS Taxonomy.

6. Next steps

Following are the potential next steps for the inception of the EEEP, which will need to be further specified in the extended business plan as they are part of the inception stage:

- contact parties interested in the inception of the EEEP and especially representatives from:
 - regulators and supervisors,
 - accounting firms, and
 - usersto confirm their interest and commitment to contribute, in resource (time, funding, human resources), to the inception of the EEEP;
- organize second roundtable to facilitate contacts and decision making in the inception of the EEEP;
- prepare an extended business plan for the inception stage to organize and structure the activities (MoU, Charter...) including detailed a work plan, budget, team functions and job descriptions, etc...;
- secure a sustainable funding mechanism for the EEEP.

Appendix A: Roundtable Attendees and Objectives

After a few initial contacts, it was confirmed that there is high interest in this topic and that a meeting could help to share views and to make progress. Therefore, a first roundtable was held on 10 December and was attended (in presence or by video conference) by representatives of

- Regulators and supervisors, including China Securities Regulatory Commission (CSRC), Commission of European Banking Supervisors (CEBS), European Commission, IOSCO, Japan Financial Services Agency, Johannesburg Stock Exchange, Singapore Accounting and Corporate Regulatory Authority (ACRA), UK Companies House, UK Department for Business, Innovation & Skills, UK Her Majesty's Revenue & Customs, US SEC.
- The 'big 4', including KPMG and PricewaterhouseCoopers.
- Staff from the IASB and IASCF.

The objectives of the meeting were:

- To develop a common understanding of the issues at hand for all involved.
- To share views and experiences on IFRS Taxonomy extensions.
- To try and identify common issues and agree a common approach.
- To review the draft Business Plan and consider organisational issues and next steps for the inception of the new body.

The meeting started with an update from each participant. The roundtable discussions then went on to address the following questions:

- By whom should the new body be established? Options include:
 - IASC Foundation Trustees,
 - IASC Foundation Monitoring Board,
 - IOSCO,
 - Inaugural EEEP members themselves.
- How should the cooperation be formally documented (MoU, Charter, ...)?
- What are the budgetary and contribution requirements (in terms of both financial and human resources)?
- What should the priority deliverables be (should extensions for financial institutions industry take precedence over those for the mining industry)?
- Who should be the owner and IP holder of the developed extensions?
- What will the legal status of the developed extensions be (especially if part of their development is derived from the model financial statements of auditing companies)?
- For the European Commission specifically, which role could/should play the member states, especially if they wish to contribute?
- Should there be specific extensions for the IFRS for SMEs taxonomy?
- What kind of recognition or assurance should Extensions have by contributing members? More generally, is the Due Process for XBRL Activities good enough for Extensions?

Here are the main comments addressed during the roundtable:

- The development of IFRS Taxonomy extensions has already started in Australia, Chile, Germany, Europe (ECCBSO, CEBS and member states), Japan, Singapore, South Africa, UK and the US.
- The EEEP is a worthy and needed initiative.
- The EEEP's activities should not be restricted to just securities regulation but should be open to all filing requirements (tax, banking supervision, etc).
- The scope of work and general framework was adequately outlined in the draft Business Plan.
- There should be a focus on common practice.
- A balance is required between re-using existing extensions and developing new extensions (80-20).
- Timing and governance are the critical issues.
- Accounting firms are available to help.

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- The IASCF should be the catalyst and leverage off of existing activities, because:
 - The IASCF is the developer of the core IFRS Taxonomy.
 - The IASCF has an existing due process and architecture (including the ITA initiative).
 - The IASB/IASCF has the reputation and experience.
 - There is no other better solution (if IOSCO, then BASEL Committee and others).

Appendix B: IFRS Taxonomy Extensions

This section provides more detail on IFRS Taxonomy extensions. While the specific composition and inputs and outputs of the development of extensions should be detailed at a later stage in the initiative, this section provides a high-level overview of what the IASC Foundation XBRL Team perceives should be the inputs and outcomes of the initiative.

Purpose

As previously stated in section 4.2, the objective of the initiative is perceived to be: **to create a single set of high quality IFRS Taxonomy extensions, in the form of common-practice and industry-related concepts, in order to support financial reporting (preparer's side) and analysis (users) using the IFRS Taxonomy.** Specifically, IFRS Taxonomy extensions should encompass:

- common-practice extensions,
- industry-specific extensions.

In order for the initiative to succeed, it must take into account different information and reporting requirements. Local/jurisdictional concepts are perceived to be outside of the scope of the initiative. Regulatory requirements can be extensive and are not always related to financial reporting and therefore are also outside of the scope of the scope of the initiative. Put simply, reporting that is outside of the scope of the IFRSs is outside of the scope of the initiative.

Resources and deliverables

Following lessons learnt from similar projects that have been conducted around the world, and also following discussions with various stakeholders, the inputs required for the development of IFRS Taxonomy extensions are (at a minimum) the following:

- IFRS Taxonomy,
- accounting firms' model financial statements (including industry models) and disclosure checklists,
- real financial statements,
- IFRS Taxonomy extensions prepared in various jurisdictions (ie Australia, Chile, Germany, Israel, Japan, South Africa, UK, ECCBSO, FINREP, Microfinance Exchange).

Other inputs that should be considered for the development of IFRS Taxonomy extensions are the IASC Foundation's due process for XBRL activities, *The IFRS Taxonomy Guide* (and specifically IFRS Taxonomy architecture) and the documents released by the Interoperable Taxonomy Architecture (ITA) project, and industry classifications.

The outcomes of the initiative should be (at a minimum) the following:

- IFRS Taxonomy extensions in the form of XBRL files,
- due process for the development of IFRS Taxonomy extensions,
- architecture addendums to the architecture of the IFRS Taxonomy architecture for the IFRS Taxonomy extensions,
- support materials and documentation, and
- approval of the usability and quality of the IFRS Taxonomy extensions by an appropriate body.

Appendix C: The Extensions External Experts Panel

During discussions with stakeholders from mid-2008 and until end of 2009, the IASC Foundation has considered a number of options concerning IFRS Taxonomy extensions ranging from leaving the development of extensions to regulators or other interested parties, through to considering the development of extensions by the IASC Foundation alone. As already mentioned, due to resource constraints, to avoid compromising the IASC Foundation's other XBRL activities, and in order to ensure that the extensions meet the needs of all stakeholders, the IASC Foundation XBRL Team believes that it should not undertake the development of IFRS Taxonomy Extensions unilaterally.

The best solution that has been identified for the development of IFRS Taxonomy extensions is a coordinated initiative, whereby representatives of interested stakeholders are actively involved in - and are therefore collectively responsible for - the development of these extensions. This includes the IASB/IASC Foundation and regulatory agencies and user groups. This body is referred to here as the EEEP.

This section provides more detail on what the IASC Foundation XBRL Team perceives the objectives, scope and composition of the EEEP should be. As stated previously, the IASC Foundation's role is currently restricted to facilitating the inception of the EEEP only and this document contains the IASC Foundation XBRL Team's recommendations for the initial inception of the EEEP and the IASC Foundation's role as facilitator to this inception. It is envisaged that once the EEEP has been established an extended business plan for the inception stage will be developed, documenting its intentions for its governance, therefore this document does not detail aspects relating to governance.

Objectives and Scope of Activities

The primary objective of the EEEP is perceived to be to coordinate, develop, maintain and provide authoritative support for a single set of high-quality global IFRS Taxonomy extensions. This includes setting the agenda for the development and maintenance of IFRS Taxonomy extensions, coordinating the activities of its staff, reviewing the quality of the developed work products, and approving the work products.

Deliberations with various stakeholders have resulted in the identification of the following proposed activities of the EEEP, in conjunction with a team of dedicated staff:

- Collecting illustrative financial statements and identifying common-practice concepts,
- Identifying specific industries that require IFRS Taxonomy extensions,
- Providing explicit guidance on the development of extensions, and
- Developing and maintaining IFRS Taxonomy extensions for common-practice and industry concepts that reflect real implementation scenarios.

Composition and Membership

The EEEP should be composed of individuals, or representatives of organisations, interested in the development of a single set of high quality global IFRS Taxonomy extensions. The membership should provide for a broad geographical spread and a range of functional backgrounds that include members drawn from preparers and issuers, users of financial statements, software vendors, supervisors and regulators, academics and professional accounting bodies. Membership should also be also granted to other bodies and organisations that are influential in global financial community.

It is proposed that the potential members of the EEEP include representatives of following organisations identified during the initial roundtable, and also following discussions with interested organisations:

- regulators:
 - Australian Government (Treasury)
 - Canadian Government
 - China Ministry of Finance/CSRC
 - European Commission (representing member states regulators and supervisors)

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- IOSCO
- Japan FSA
- Singapore Accounting and Corporate Regulatory Authority (ACRA)
- South African FSA
- UK agencies (BIS, HMRC, Companies House)
- US SEC
- audit firms
- representatives from the user community
- representatives from the preparer community
- IASB and IASC Foundation

It is recognised that because the EEEP will be working to provide extensions to the IFRS Taxonomy, continued involvement of the IASB/IASC Foundation beyond the initial inception of the body is more likely than not. However this continued involvement is on the basis that there are no potential conflicts of interest or with the IASB work plan.

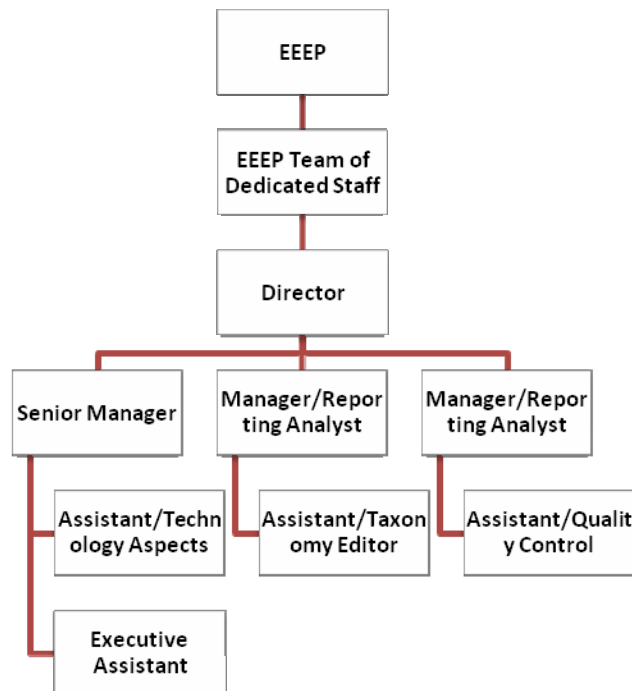
Appendix D: Considerations for the Inception Stage

This document focuses only on the first milestone of the inception stage which is the initial inception of the EEEP. This section provides more detail on the considerations for the inception stage, which is intended to promote understanding of the EEEP’s potential activities after its inception.

Organisational Structure

This section provides a high-level overview of the proposed organisational structure of the EEEP. While funding is a crucial aspect for the functioning of the initiative, the proposed organisational structures assumes that the EEEP serves a dual role – coordinating the development of IFRS Taxonomy extensions as well as coordinating funding. At a later stage, the coordinating of funding may be transferred to a designated organisation or separate funding committee. The proposed structure is provided only in order to better assess future budgetary needs for the development of extensions and should be treated tentatively.

The development of IFRS Taxonomy extensions will require significant analytical effort in the development stage, in particular when analysing the input materials and to provide a consistent base for the development of IFRS Taxonomy extensions. This should be reflected in the structure of the EEEP and the structure of the recommended team of dedicated staff. For the dedicated staff, the structure proposed below assumes three managers with strong analytical skills are supported by assistants in order to deal with the level of input described.



The organisational structure¹¹ and governance procedures should assure that issues will be appropriately escalated from the staff level to the EEEP level and resolved there.

¹¹ To be validated by incepting members.

Budgets

The development of IFRS Taxonomy extensions requires appropriate funding which should be realised by the means of financial and/or human resources contributed by founding members. It is crucial that each founding member contributes to the objectives of this initiative. It is expected that the importance of the objectives of the EEEP to achievement the goals of IFRS and XBRL tagging will ensure ongoing engagement and also funding.

The below budgetary considerations are based on the following assumptions:

- development stage to start in the second half of 2010,
- the initiative should use the host organisation's facilities (and be recharged at cost),
- staff composition¹² follows the organisational chart on page 17;
- IT equipment to develop IFRS Taxonomy extensions must be procured (including specific XBRL software);
- operations and EEEP meetings will be held at the host organisation's premises, but staff will travel as part of their outreach activities;
- members of the EEEP or the organisations they represent will meet their own travel and accommodation costs.

Below is a tentative budget projection¹³ for the first three years of operation of the EEEP. A specific budget projection should be defined in the extended business plan following Trustee approval of this abbreviated business plan.

¹² Part-time or full-time (details in the budget).

¹³ To be validated by incepting members.

	2010**		2011		2012	
	Qty	Budget	Qty	Budget	Qty	Budget
Staff						
<i>Management</i>						
Project Director	0.5		0.5		0.5	
Senior Project Manager	1		1		1	
Project Mgr - Reporting Preparer	1		1		1	
Project Mgr - Reporting Analyst	1	£288	1	£847	1	£867
<i>Permanent Staff</i>						
Assistant PM - Tech	1		2		2	
Assistant PM - Taxo Editor	1		2		2	
Quality Review Assistant	0		1		1	
Executive Assistant	0.5		1		1	
Travel & Accommodation		£25		£63		£78
Technical equipment		£118		£261		£313
Contractors		£100		£210		£221
Miscellaneous		£25		£55		£61
Sub-total		£556		£1,435		£1,561
Overhead*		£139		£359		£390
Grand-total		£694		£1,793		£1,951

* Overheads include premises and other facilities

** Second half only

Tentative Timescale

While specific timescale should be provided in the extended Business Plan the following describes tentative major milestones to be achieved.

- March 2010: Trustees approval of the abbreviated Business Plan;
- April 2010: Invitation letter to identified funding members;
- June 2010:
 - selection of the host organisation;
 - nominations of EEEP members for initial term;
 - preparation and authorisation of the extended business plan;
 - MoU or Charter accepted by funding members;
- August 2010:
 - agreement of the funding members on funding arrangements;
 - preparation and authorisation of due process document¹⁴;

¹⁴ Development of the IFRS Taxonomy and all of the IASC Foundation's XBRL activities are managed in accordance with a due process. Because the IFRS Taxonomy extensions are outside of the scope of this due process, a separate due process for the development of IFRS Taxonomy extensions should be developed.

Development of IFRS Taxonomy Extensions

Abbreviated Business Plan

Date: 29 March 2010

- September 2010:
 - first F2F meeting and election of EEEP chairs;
 - definition of scope and specific objectives;
 - securing funding;
 - hiring team of designated staff;
 - development and authorisation of plan for development stage.