



International Financial Reporting Standards



*IASB approval of IFRS Taxonomy
common practice content*

Richard Fraser – Assistant Technical Manager

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Aims of the meeting today

Staff proposal for the IASB to approve the IFRS Taxonomy common practice content. The aim for today is to brainstorm on:

Mitigating actions?

Risks?

Benefits?

Note – initiation of a new CP project will be discussed in a later call.

Common practice vs anticipated disclosures

common practice	anticipated disclosures
This reflects what companies commonly disclose when applying IFRSs - based on empirical analysis of current practice.	This reflects the anticipated disclosures of companies, which are expected to be observed upon implementation of new or amended Standards.

Today's presentation will focus on common practice.

Anticipated disclosures are not currently included in the IFRS Taxonomy.

The benefits of common practice

Previously we have stated in our educational materials that:

Preparers	reduced time and cost to tag IFRS financial statements: including common practice content would result in significant reductions in the number of extensions entities have to create.
Investors & credit analysts	improved ease of data consumption because the number of unique taxonomy tags that users would have to handle are significantly reduced.
Regulators	no need to add regulatory IFRS Taxonomy extension elements for disclosures that are commonly reported by entities globally.

Question:

Do you agree with the above? Are there any other benefits we should present to the IASB?

Risk of IASB approval

Risk	Mitigating actions
Approval by the IASB may lead some regulators to treat the IFRS Taxonomy as a list of requirements that an entity must report	<p>Difficult to mitigate; the same risk exists for IFRS Illustrative Examples and Implementation Guidance</p> <ul style="list-style-type: none">• IFRS Taxonomy educational materials emphasise principle-based nature of IFRSs• IFRS Taxonomy gives guidance on extending the IFRS Taxonomy by preparers and regulators• Research – improve XBRL and taxonomy handling of entity-specific disclosures

Risks of IASB approval – questions

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Questions:

- 1) What are the key risks we should present to the IASB?
- 2) What actions can we take to mitigate these risks?

Thank you

