April 2015

Agenda Paper 1

International Financial Reporting Standards

Update on activities

Disclosure Initiative including the IFRS Taxonomy

Kristy Robinson – Technical Principal

* IFRS Taxonomy is a trade mark of the IFRS Foundation

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Aim of this agenda topic

- To update members of the ITCG on the Disclosure Initiative and IFRS Taxonomy developments

- Providing you with an opportunity to answer any questions you may have

- Giving some background for our discussion today on the IFRS Taxonomy roadmap and strategy

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Agenda

- The Disclosure Initiative
- Upcoming IFRS Taxonomy releases
- IFRS Taxonomy due process
- Jurisdictional Profiles – access and filing requirements

Note: Appendix 1 lists other areas which may be of interest to you but which are not discussed in detail today

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The Disclosure Initiative

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Why a project? What is the disclosure problem?

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Disclosure Initiative Activities

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Principles of Disclosure (POD) project

Why

- Requests for the IASB to develop presentation and disclosure principles that apply across IFRS
- A better 'disclosure framework' in IFRS will result in improved disclosures because it will help:
  - the IASB set better disclosure requirements in IFRS; and
  - entities to make better judgements about what information to disclose and how

Output

- Discussion Paper
  - Overall principles and specific issues
  - Ultimate goal is to produce a disclosure Standard (IFRS) dealing with the basic structure and content of financial statements
  - Redevelop parts of IAS 1 *Presentation of financial statements* and IAS 8 *Accounting policies, changes in accounting estimates and errors*
- Education guidance – communication/formatting

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POD – Discussion Paper topics

Overarching principles

Roles of 'primary' financial statements and the notes	Materiality and aggregation	Communication principles grouping, ordering and formatting

Specific issues

Non-IFRS information	Disclosure objectives	Consistency/comparability of disclosures	Cross-referencing	Accounting policies	Proportionality

Wider issues

Disclosure of changes policies and estimates (IAS 8)	Implications for existing Standards	Digital reporting

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Upcoming IFRS Taxonomy releases

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IFRSs impacting the IFRS Taxonomy in 2015/2016

Topic	IASB due process stage	Expected publication date	Impact on the IFRS Taxonomy
IFRS for SMEs review	IFRS	Q2 2015	significant
Leases	IFRS	H2 2015	significant
Insurance Contracts	IFRS	2015/2016	significant
Amendments to IAS 7 *Statement of Cash Flows*	ED	Public consultation until 17 April 2015	limited
Macro Hedge Accounting	Comment letter analysis	TBC	significant
Rate-regulated Activities	Comment letter analysis	TBC	significant

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IFRS Taxonomy common practice content

Project scope	Due process stage	Expected publication date	Impact on the IFRS Taxonomy
utilities information technology media chemicals	Review by IASB Board Member panel	Proposed TU Q2 2015 TU Q3 2015	significant
retail	Research	Proposed TU Q4 2015	analysis in progress
2015/2016 common practice – TBC	Project evaluation	TBC	TBC

TU stands for Taxonomy Update

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IFRS Taxonomy due process

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Content reflecting the Standards (trial 1)

- In summary, the proposed changes are:
  - review and approval by the IASB of updates to the Taxonomy
  - a *[Proposed] Taxonomy Update* is the primary consultation document that accompanies and is published at the same time as the Exposure Draft of final Standard

- Staff Analysis of Comments on IAS 7 has just started

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Common practice (trial 2)

- This trial incorporates two processes:
  - initiation of a new common practice project
  - additions or amendments to common practice content

- At the December 2014 ITCG call, most of you agreed that a clear definition of the scope of the IASB's involvement is needed to minimise IASB resource impact and to reduce risks where common practice may be perceived as authoritative

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Common practice (trial 2) – cont'd

- The IASB considers 'peer review by a Board Member Panel' as the optimal way to mitigate the above risks while at the same time providing the required assurance that the content of the IFRS Taxonomy is consistent with IFRSs
  - the common practice due process trial will proceed on that basis and is expected to be completed at the end of May

- Appendix 2 describes the process in more depth

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Jurisdictional Profiles

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Progress to date

- Developing 40 jurisdictional profiles:
  - Asia-Oceania:17, Europe:17, Americas: 4 and Africa: 2
  - 30 jurisdictions indicate either using or having a concrete plan to use XBRL as well as IFRS Taxonomy

- Extent of use of XBRL varies from jurisdiction to jurisdiction
  - Solely for one purpose (eg Stock Exchange)
  - Multi-purpose information centre
  - Annual reports by listed companies are usually filed using IFRS Taxonomy; tax return and filings by SMEs are filed using locally developed taxonomy.

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Public launch

- First profiles will be released in the first week of June
- Available on website, in PDF as well as in a more interactive digital format (tentative)
- Further actions
  - Develop profiles for other jurisdictions
  - Update information of developed profiles
    - European Transparency Directive
    - Rapid development of electronic filing worldwide

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Appendix 1
Other areas of interest

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IFRS Taxonomy translations

- Optional translations
  - the IFRS documentation labels : so far no translations have been received
  - From 2015, an additional option for users to filter on the specific IFRS Taxonomy module they require (ifrs-full, ifrs-smes, ifrs-mc)

- Other user requirements we know of
  - Versioned IFRS Taxonomy Illustrated in foreign languages

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Available translations – IFRS Taxonomy

Language	Latest before 2012	2012	2013	2014
Arabic	2011	X	X	X
Chinese, simplified	2009			
Chinese, traditional	2010			
Dutch	2009			
French	2009			
German	2009			
Hungarian	2006	X		Q2 2015
Italian	2011			WIP
Japanese	2011	X	X	X
Korean	2011	X	X	X
Portuguese (Portugal)	2006			
Slovak	NA			
Spanish	2011	X	X	X
Ukrainian	NA	X	X	WIP
Turkish	NA			WIP
Total:		**6**	**5**	**4**

WIP – work in progress (requests received and files have been sent out)

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Terms and conditions

- At the October 2014 ITCG meeting, we told you that we are planning to:
  - review and update the existing terms and conditions for using the IFRS Taxonomy Materials and ask for explicit acceptance
- A draft has been prepared by the staff, and we will ask for your review prior to finalising them
- We are hoping to publish the new terms and conditions towards end Q2 2015

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Appendix 2
The proposed IFRS Taxonomy due process for common practice

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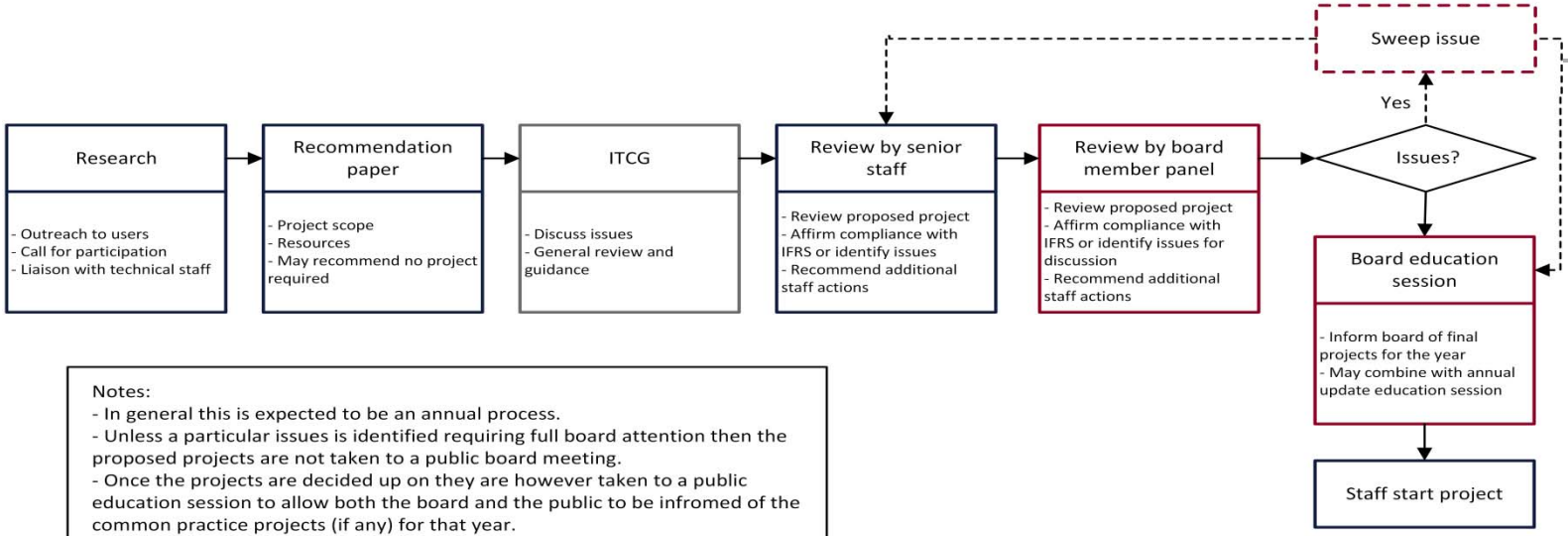
IFRS Taxonomy - Common practice due process - project initiation



Notes:
- In general this is expected to be an annual process.
- Unless a particular issues is identified requiring full board attention then the proposed projects are not taken to a public board meeting.
- Once the projects are decided up on they are however taken to a public education session to allow both the board and the public to be infromed of the common practice projects (if any) for that year.

Board involvement

Staff

External

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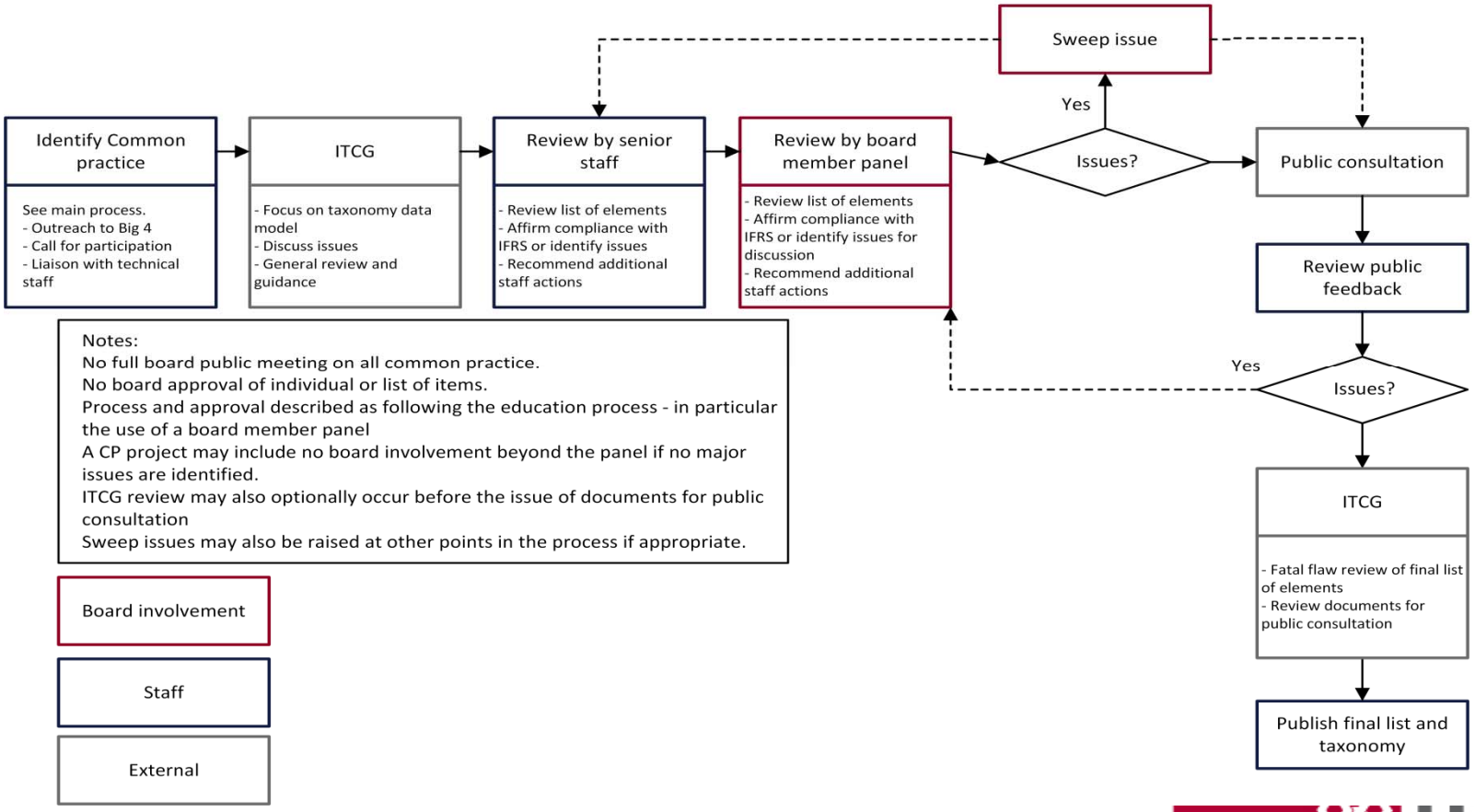
IFRS Taxonomy - Common practice due process - project approval



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Thank you

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