



International Financial Reporting Standards



The IFRS Taxonomy roadmap and strategy

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Aims of this agenda topic

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- To **inform you of the activities** we are planning for the next twelve months and to **ask for your guidance** on specific issues
- To have some initial idea sharing on the **broader strategic vision** of the IASBs digital reporting activities

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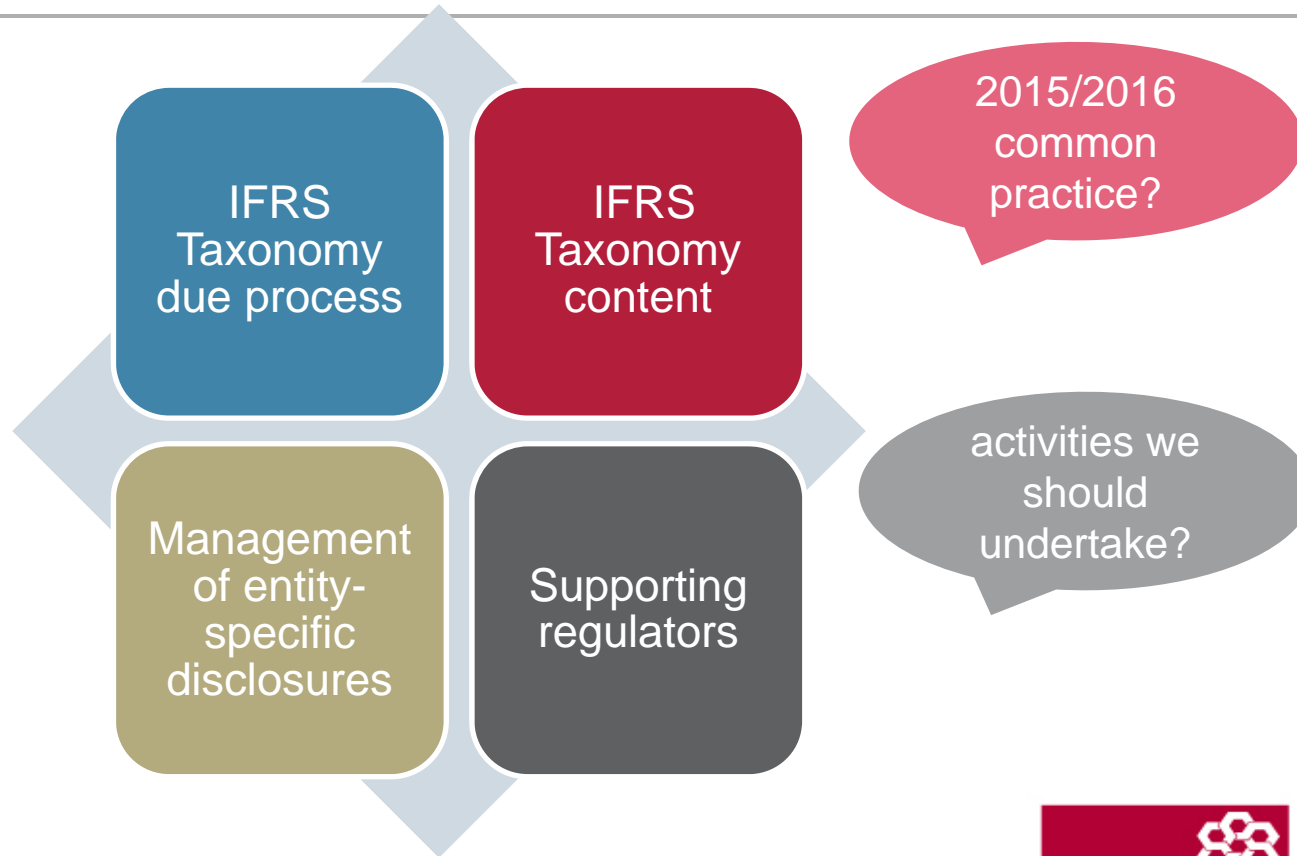
The roadmap for the next six months

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Our focus for the next six months



Potential 2015/2016 common practice: activities to review

- The staff is planning to **propose to the Board Member Review Panel** that:
 - i. a new common practice project should be initiated
 - ii. a combined approach is followed
 - review of disclosures for specific activities
 - review of disclosures for which the IASB may undertake a Post-Implementation Review in 2015/2016 (under review)
 - iii. the activities to be selected are 'Agriculture and Consumer Staples' and 'Hotels, Restaurants and Leisure'

Appendix 1 describes the criteria we have used to select the activities

Supporting regulators

- responding to the **needs of regulators will remain our primary focus** in 2015:
 - they are currently the key users of the IFRS Taxonomy
 - they play an essential role in the setting up of electronic filing systems
 - preparers will only fully engage when they will be required to produce an electronic filing using the IFRS Taxonomy
 - investors will only fully engage when there is a critical mass of data that they ‘trust’ and can ‘try out’

Supporting regulators: activities

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Supporting best use of the IFRS Taxonomy

Adaptable IFRS Taxonomy

Documentation & supporting materials

Terms and conditions of use

Guidance for regulators

Encouraging regular updates (today)

Outreach

ITCG

Common practice participation

Public consultation

Regular meetings

Regional IFRS Taxonomy events and workshops

Thought leadership

Management of entity specific disclosures

POD Digital reporting

Questions to the ITCG

- At the February ITCG call, most of you agreed with the staff proposal to follow a combined approach for a potential 2015/2016 common practice project. Today, we would **like your views on the activities we are proposing**. Do you agree with our proposals and the criteria we have applied?
- Do you think that **our current or planned activities will provide effective support to** regulators? Are there any other general areas we should concentrate on?

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Future focus areas for the IFRS Taxonomy team

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Future focus areas

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Organisation IFRS Taxonomy data structure

- Examples of activities: abstract and logical data modelling, taxonomy simplification (duplicate dimensions, elements, ...) ...

Ease of use Improvements

- Examples of activities: review of the taxonomy modularisation, flexible views, new navigation codes for elements, review of element naming scheme

Outreach Investors and preparers

- Examples of activities: educational workshops, implementation guides, involvement of industry groups within common practice, demonstrate how the IFRS Taxonomy can facilitate investment analysis,

Question to the ITCG

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- What are **your experiences** using the IFRS Taxonomy? Are there other areas or **activities that you think we should consider?**

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IASB digital reporting strategy

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Role of technology

- The IFRS Foundation recognises that **technology is influencing and changing** the way IFRS disclosures are disseminated by preparers and accessed by users.
- The upcoming **Trustee's review** of the structure and effectiveness of the IFRS Foundation may incorporate specific questions on this topic.

Current activities and focus

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As the body responsible for IFRS, our role is to develop a **high quality IFRS Taxonomy** that jurisdictions such as Korea can incorporate into their own digital reporting activities. The IFRS Taxonomy is **critical to us achieving our goal of high quality standards**, applied on a globally consistent basis, and, importantly, regardless of format.

We recently made the strategic decision to align the development of the IFRS Taxonomy more closely with our standard-setting activities. As a consequence of this change, **digital reporting is considered by the IASB's technical staff throughout the project lifecycle**, rather than only at the end as an alternative form of presentation. This also means that Board members are more directly involved in the development of the IFRS Taxonomy and we are encouraging our constituents to do the same.

<http://www.ifrs.org/Alerts/Conference/Documents/2015/Speech-Hans-Mind-the-Gap-speech-Korea-March-2015.pdf>

And the future?

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- Can technology impact **the relevance of the IFRS Taxonomy and IFRSs?** If so, how?
- Are these impacts **risks or opportunities**, and what can we do to mitigate or exploit them?

Do you have any other ideas or views you would like to share with us at this time?

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Appendix 1

Criteria and process followed to select 2015/2016 CP activities

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Overview

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Empirical analysis of IFRS filers (listed companies)

- Number of companies
- Investor interest - market value of companies
- Size – revenue of companies

Other considerations

- Estimated impact of new IFRSs or IFRSs being developed upon the disclosures for specific activities
- Do we anticipate significant common practice?

Empirical analysis

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Activity	Aggregate ranking	Number ranking	MV ranking	Revenue ranking
Agricultural products and consumer staples	1	1	1	2
Machinery incl Heavy Trucks	2	2	3	6
Automobiles and Components	3	11	2	1
Construction and Engineering	4	3	9	3
Hotels, Restaurants and Leisure	5	4	6	8
Industrial Conglomerates	6	20	5	4

Other considerations

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- IAS 41 describes the **accounting treatment and disclosures** relating to agriculture activity (effective date 1 January 2003).
- The IFRS Taxonomy has **an ELR** for IAS 41 incorporating elements for the ‘disclosures’ and ‘examples’ of this Standard, but **no common practice**.

Other considerations : potential impact of new IFRS

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- **Construction and Engineering**
 - IFRS 15 *Revenue from Contracts with Customers* (effective 1 January 2017) is likely to affect common practice disclosed
- **Automobiles and Components**
 - Entities generally have an industrial and financing arm
 - As such, the new Leases standard and IFRS 15 is likely to affect common practice disclosed

Do we anticipate significant common practice for this activity?

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- **Difficult to anticipate** without empirical analysis
 - Review of **other taxonomies** and templates used by **data aggregators**
 - the US GAAP Taxonomy has specific disclosures for franchisors and entertainment
 - some data aggregators have elements to reflect disclosures specifically to hotels
- => **review of Hotels, Restaurants and Leisure may be of interest**

