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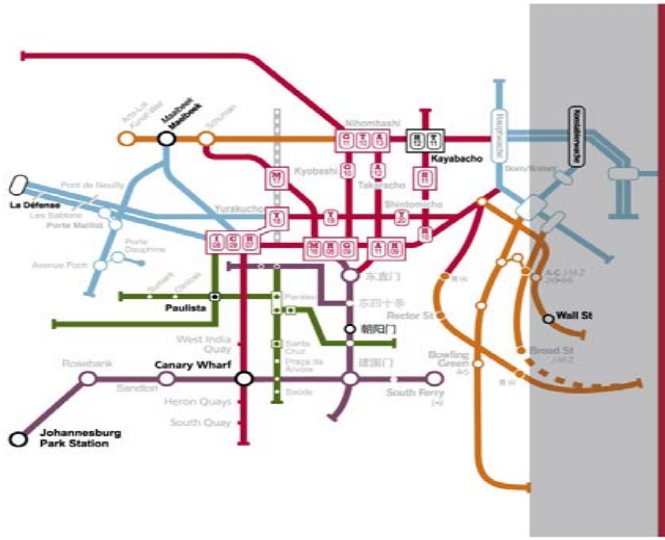

Encouraging external taxonomy updates

Andromeda Wood – Senior Technical Manager

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Agenda

- What we mean when we talk about ‘taxonomy updates’
- Why we care about IFRS Taxonomy versions and update frequency
- Some factors we think may affect updates
- Breakout sessions
  - What are the factors affecting update to newer taxonomy versions? How do they vary by circumstance?
  - Are there any actions we should take to encourage regular external taxonomy updates?

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IFRS Taxonomy update

- An IFRS Taxonomy update is:

A change to the IFRS Taxonomy resulting in a new Interim Release or the annual IFRS Taxonomy (a compilation of all previous Interim Releases).

- An update might include changes resulting from:
  - A new or amended standard
  - Common practice items
  - Corrections and improvements
  - Architectural updates

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External taxonomy update

- An external taxonomy update is:

> The move from an older version of the IFRS Taxonomy in a system or extension taxonomy to a newer version of the IFRS Taxonomy

- This newer version could be:
  - the latest annual taxonomy
  - the latest final interim release
  - any other more recent taxonomy than the version currently in use
  - an addition to an allowed set of IFRS Taxonomies in use

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Why we care about external taxonomy updates

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Advantages of updating

- The latest disclosures for new standards will be available supporting early application.
- Expiring disclosures are identified
- References and documentation across the IFRS Taxonomy (not just with new items) are updated with new and amended standards
- Common practice additions improve coverage
- Corrections may be made to existing taxonomy items and other improvements may be beneficial (for example separation of SMEs)

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Advantages of updating – cont'd

- To aid comparability:
  - Is an item from 2009 comparable with one from 2015?
  - Is an extension from 2011 the same as the new common practice item from 2015?
- To reduce the number of old versions of the IFRS Taxonomy we continue to support

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Examples of factors affecting updates

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IFRS Taxonomy

- The IFRS Taxonomy update schedule
- The IFRS Taxonomy design
  - navigation
  - identification of new items and other changes
  - access to elements
  - identification of element/taxonomy version
- The materials provided with the IFRS Taxonomy
- For more detail on the IFRS Taxonomy see Appendix A

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External factors

- Endorsement processes for IFRS
- Endorsement/approval processes for the IFRS Taxonomy
- Changes in local law and regulation e.g. new local company law
- Existing update schedules for filing systems
- The size and complexity of filing systems, software and extension taxonomies
- Impact on system users

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Breakout sessions

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What we want to look at today

- The aim of the following breakout sessions is to identify the factors (including business requirements) affecting external updates of the IFRS Taxonomy in different filing environments.
- We will look at:
  - systems with a regulator/owner extension
  - filing environments with some kind of preparer extension/entity specific disclosures
  - systems using the IFRS Taxonomy directly

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Breakout group discussion topics

Regulator extension

- Regulator has created an extension taxonomy based on the IFRS Taxonomy
- This extension includes any number of IFRS Taxonomy items
- It may include use of IFRS labels, references and other linkbases
- System specific items may also be added via parallel taxonomies rather than direct extension

Preparer extension

- The IFRS Taxonomy is used within a filing system expecting preparers to add entity specific items in some fashion
- The system may require preparers to create US style taxonomy extensions or may use another mechanism
- This may be to the IFRS Taxonomy directly or to a regulator extension of the IFRS Taxonomy

As published

- The IFRS Taxonomy is used as published with no extension provided or allowed.
- It may have accompanying documentation specific to the filing system however.

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Features in common

- Documentation
- A taxonomy used:
  - solely for that system or
  - shared with other organisations
- A filing that is:
  - used internally
  - published for external users

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Breakout group members

Regulator extension

Board room

Preparer extension

Victoria room (downstairs – GFW)

As published

Cannon room (downstairs – GFE)

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Questions to consider

- Reasons to update – are they compelling? What other reasons might there be?
- What are the different factors affecting update for your type of filing system? Rate these by importance.
- Do any of the features of the IFRS Taxonomy at the moment affect update?
- Are there external factors affecting update?
- What could the IFRS Taxonomy team do to improve the update frequency?

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Appendix A: IFRS Taxonomy updates and structure

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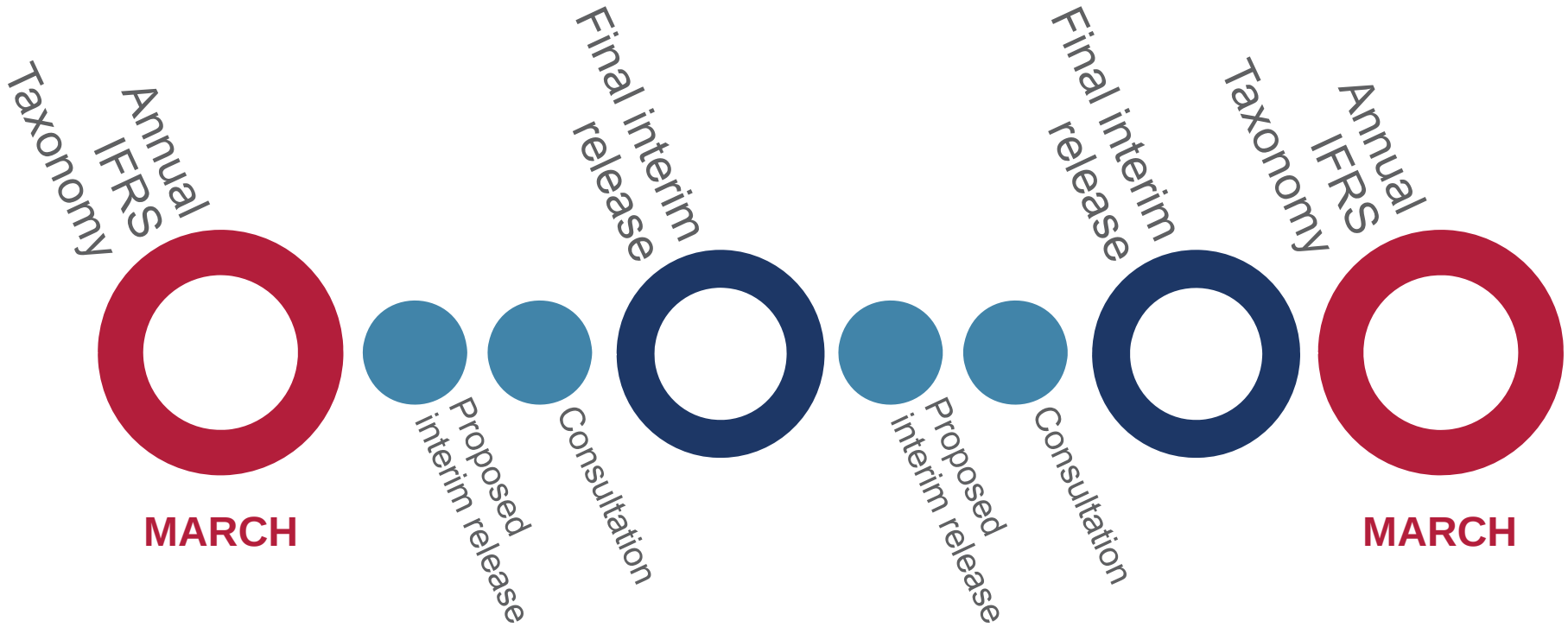
IFRS Taxonomy update process



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Which files are available when?

Type of release	XBRL files	Update document	IFRS Taxonomy Illustrated	ITI + track changes	XBRL versioning report	Documentation labels	xIFRS	Illustrative examples
Proposed interim release	O	✓	O	O	O	✓	O	X
Final interim release	✓	✓	✓	✓	✓	✓	O	O
Annual IFRS Taxonomy	✓	X	✓	✓	✓	✓	✓	✓

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New element availability

- New elements are added to the IFRS Taxonomy when:
  - A new standard is issued
  - A standard is amended
  - A common practice project has been completed
  - We receive feedback that an element is missing
- These elements are added during the year and are available from the final version of the appropriate interim release.
- Each interim release is based on previous interim release (or annual taxonomy)

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Use of new elements

- New elements may be
  - immediately effective or
  - more commonly, they may have an associated date when the standard (or amendments to a standard) become effective.
- They may also be applied early if specified by the standard or amendment.
  - The effective date can be found with the reference.

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Expiring element availability

- Elements expire (are deprecated) from the annual taxonomy after they reach the expiry date for the relevant standard (or pre-amendment version of a standard)
- In the case of a correction or immediate replacement they are expired during the appropriate interim or annual release

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Accessing elements

- The IFRS Taxonomy has a partially modular file structure*
- The presentation, definition and calculation linkbases are split by standard (or section in IFRS for SMEs)
- Labels are split by element schema
- Element schemas are split into Full IFRS, Management commentary, IFRS for SMEs and deprecated elements

*The file structure is the way the XBRL schemas and linkbases are broken down into individual files and folders (modules)

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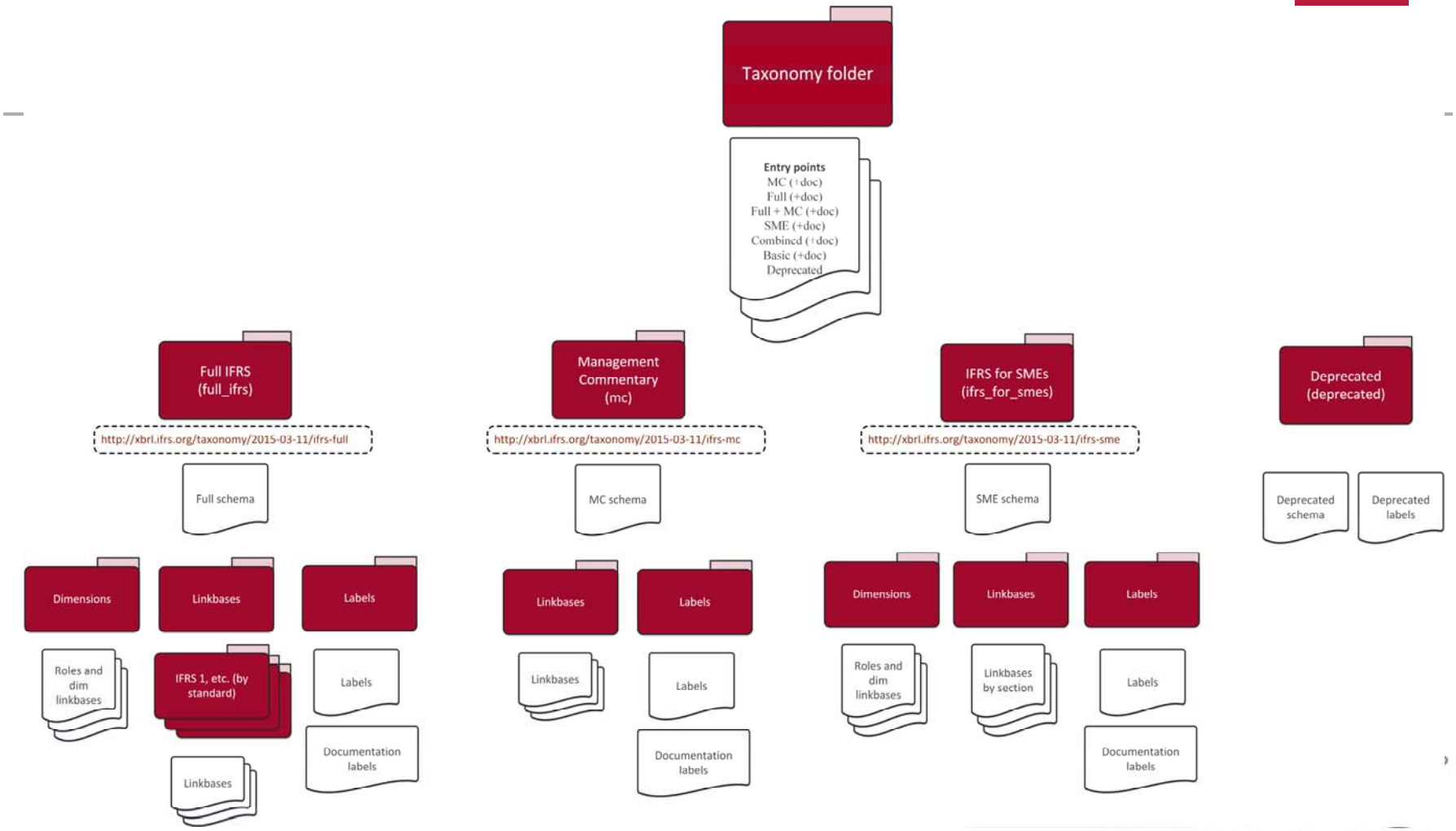

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Identifying IFRS Taxonomy updates

The version of an IFRS Taxonomy release is indicated by:

Version information	Where	Example
Date	File names (not folder names)	full_ifrs-cor_2015-03-11.xsd
Date	Namespace (IFRS identifier associated with elements)	http://xbrl.ifrs.org/taxonomy/2015-03-11/ifrs-full
Status of release	Documentation only	Interim, annual
Type of change (standard, CP, architecture)	Documentation only	New standard, amended standard, common practice, architecture

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How we identify updated elements

- An issue date is provided with each reference (set to the release date for all elements on annual release)
- An XBRL versioning report is produced with each release
- Changes to the IFRS Taxonomy are highlighted using red & green line formatting in the IFRS Taxonomy illustrated with versioning information
- New and amended items are identified with each release in the IFRS Taxonomy update document

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Examples – versioning reports

Other current receivables	X instant, debit	IAS 1.78 b Example
Total trade and other current receivables	X instant, debit	IAS 1.54 h Disclosure, IAS 1.78
Current prepayments [abstract]		
Current prepaid expenses	X instant, debit	IAS 1.112 c Common practice
Total current prepayments	X instant, debit	IAS 1.78 b Example
Current advances to suppliers	X instant, debit	IAS 1.112 c Common practice
Trade and other receivables [abstract]		
Trade receivables	X instant, debit	IAS 1.78 b Example
Receivables due from related parties	X instant, debit	IAS 1.78 b Example
Prepayments and accrued income [abstract]		
Prepayments	X instant, debit	IAS 1.78 b Example
Accrued income	X instant, debit	IAS 1.112 c Common practice

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    </vercd:conceptReferenceDelete>
    <vercd:conceptReferenceAdd>
        <vercu:toConcept name="taxB:AmountPresentedInOtherComprehensiveIncomeRealisedAtDerecognition"/>
        <vercd:toResource value="/full_ifrs/linkbases/ifrs_7/ref_ifrs_7_2015-03-11.xml#element(/1/2/1123)"/>
    </vercd:conceptReferenceAdd>
</ver:action>
```

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Thank you

Expressions of individual views by members of the IASB and its staff are encouraged.

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