

International Financial Reporting Standards



Upcoming and current ITCG reviews

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The views expressed in this presentation are those of the presenter, not necessarily those of the IASB or IFRS Foundation.

- Recent Taxonomy updates
- Upcoming Taxonomy updates
- IFRS 16 *Leases* – content of the update
- Proposed IFRS Taxonomy due process

Recent Taxonomy updates

- 1) 1 December 2015 – IFRS Taxonomy updated for *IFRS for SMEs amendments* (Taxonomy update released at the same time as the *IFRS for SMEs Bound Volume*)
- 2) 8 December 2015 – IFRS Taxonomy updated for **additional common practice** content (information technology, media, chemicals, utilities)

Upcoming Taxonomy updates

1) January 2016 – require ITCG review

- IFRS 16 *Leases*
- Deferral of the effective date of IFRS 15 *Revenue from Contracts with Customers* (technical change, no issues expected)

This update will require public review, which may delay the annual IFRS Taxonomy 2016 into April 2016.

2) Q1/Q2 2016 – do not require ITCG review

- IAS 7 amendments (consulted with the ITCG and the public on the Exposure Draft stage and not changed significantly since)

IFRS 16 Leases – Standard overview (reminder)

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- **Lessor** accounting largely unchanged:
 - Breakdown between **finance and operating leases**
 - **Finance leases** presented as **receivables**
 - **Operating leases** presented according to the **nature of underlying assets**
- **Lessee** accounting changed significantly:
 - No breakdown between **finance and operating leases**
 - **All leases and corresponding payables recognised** in the statement of financial position ('right-of-use assets' or 'ROU assets')
 - **Presentation and classification choice**, except for investment property

IFRS 16 Leases – Taxonomy overview

- Right-of-use assets ('ROU assets')
 - Discussed during face-to-face meeting
 - 'Right-of-use assets' line item to be created
 - No total line item for PPE and ROU assets to be created
 - The Standard is now likely to require right-of-use assets that meet the definition of investment property to be treated and presented as investment property
 - additional line item necessary for presentation of remaining ROU assets: 'Right-of-use assets that do not meet definition of investment property'

IFRS 16 *Leases* – Taxonomy overview, cont.

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- Other lessee disclosures:
 - Disclosure of **quantitative information** about leases, such as ROU assets' carrying amounts and depreciation (by class), various types of expense, gains and losses, cash flows
 - Disclosure of **descriptive information** about leases, such as nature of leasing activities, various types of related exposures and restrictions
 - Disclosure about **use of exemptions** from the Standard's requirements

IFRS 16 Leases – Taxonomy overview, cont.

- Lessor disclosures:
 - Disclosure of **quantitative information** about leases, such as various types of income, profits and losses
 - Disclosure of **descriptive information** about leases, such as nature of leasing activities and risk management
 - Disclosure of **maturity analysis** of lease payments
 - Reconciliation of **lease payments** and **net investment in finance lease**
 - Requirement to **disaggregate each class of PPE** into assets subject to and not subject to operating leases (IAS 16 impact)

Proposed IFRS Taxonomy due process

- We provided an update at the October 2015 ITCG meeting. It is the staff's understanding that **the ITCG largely agrees** with the proposals
 - but we continue to welcome any comments you may have
- Public consultation and the ITCG review period **ends on 3 February 2016**
 - <http://go.ifrs.org/TaxonomyDueProcessConsultation>

