

# 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

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



# Aims of this agenda topic

- To **update members** of the ITCG on the recent and future activities of the IFRS Taxonomy team and **to answer any questions** members may have

# Agenda

- The Disclosure Initiative
- Upcoming IFRS Taxonomy releases
- The 2015/2016 common practice project
- Exposure Draft *Disclosure Initiative* (Proposed Amendments to IAS 7)
- IFRS filing profiles
- Other areas of interest

# The Disclosure Initiative

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

# Disclosure initiative – overview

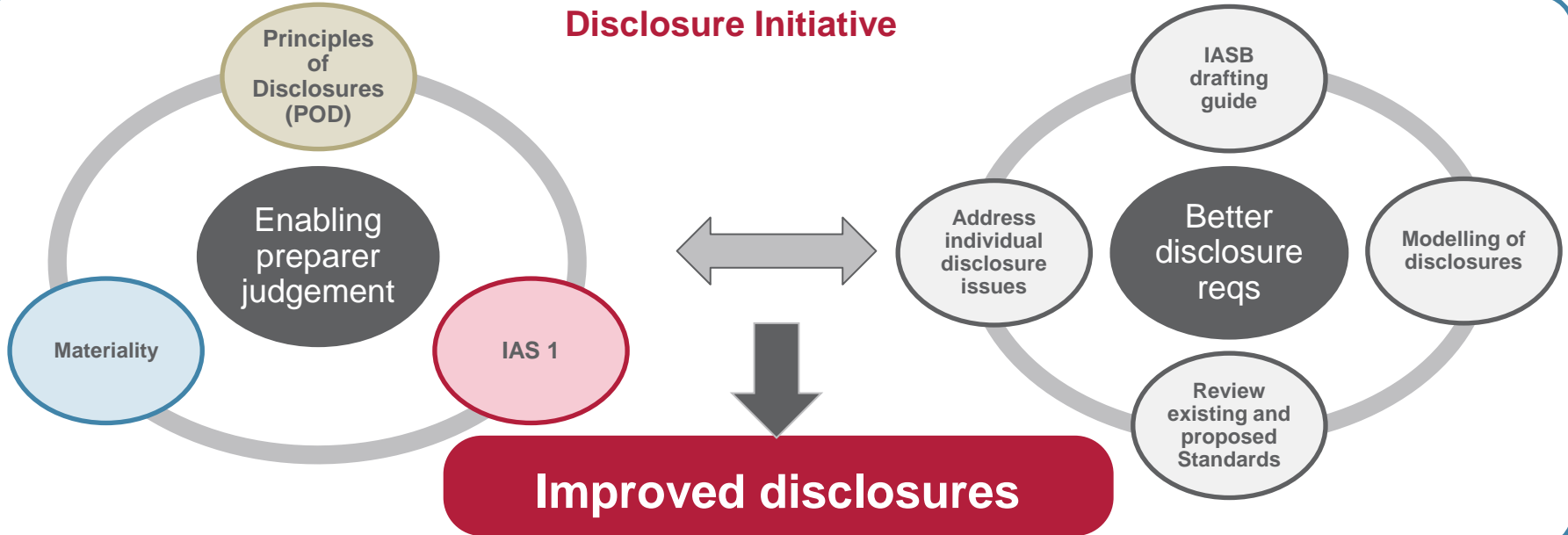
## Disclosure problem?

Not enough relevant information

Too much irrelevant information (overload)

Poor communication

## Disclosure Initiative



## Components of financial statements

Primary financial statements

Notes to the financial statements

## Improvements to principles of disclosure

Materiality and aggregation of information

Communication principles including format and connected information

## Application of the principles to specific issues

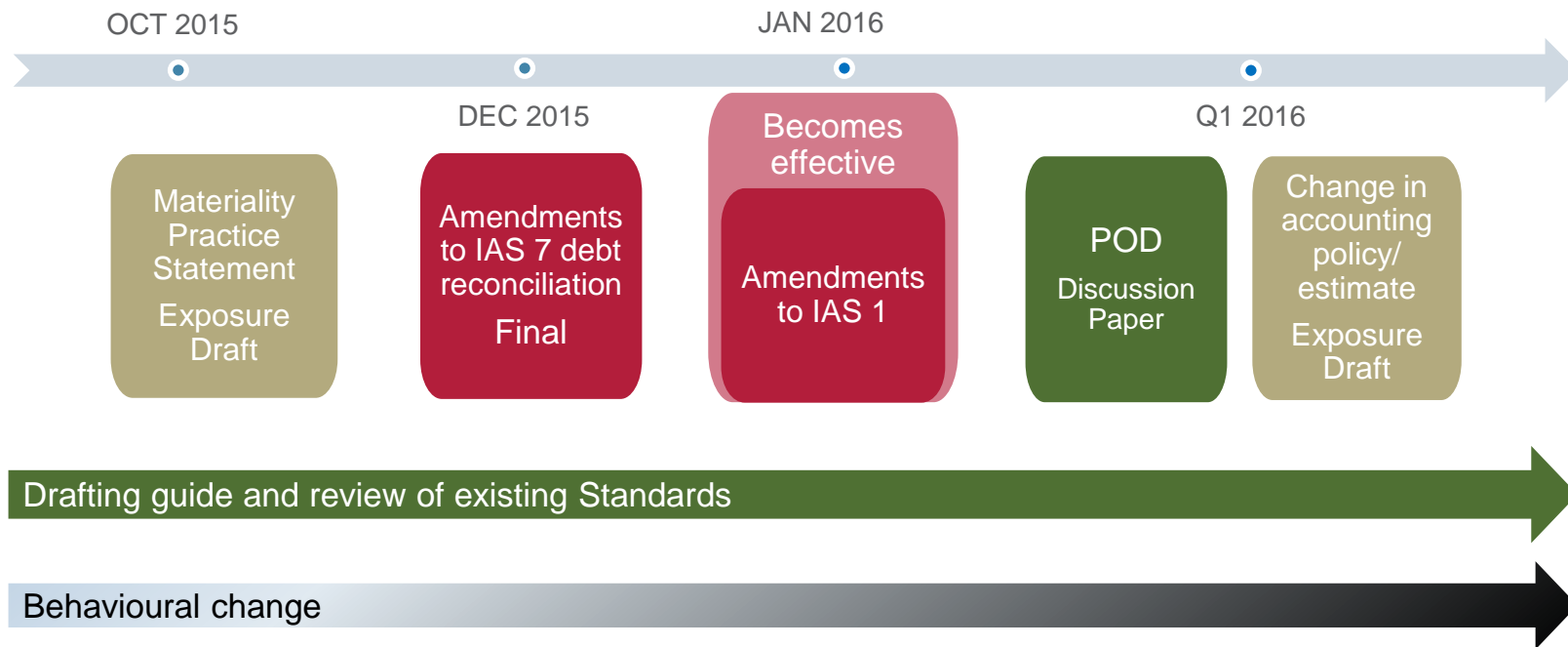
Cross-referencing of information

Accounting policies

Non-IFRS information/  
performance measures

How to draft disclosure requirements

# Timeline – looking ahead



# Upcoming IFRS Taxonomy releases

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



# IFRSs impacting IFRS Taxonomy in 2015/2016

Topic	IASB due process stage	Expected publication Date	Impact
Leases	IFRS	within 6 months	significant
Insurance Contracts	IFRS	after 6 months	significant
Amendments to IAS 7 <i>Statement of Cash Flows</i>	IFRS	within 3 months	limited
Annual Improvements 2014-2016	Exposure Draft	within 3 months	limited
Amendments to IFRS 8 <i>Operating Segments</i>	Exposure Draft	within 6 months	limited

# IFRS Taxonomy common practice content

10

Topic	IASB due process stage	Date	Impact
Common and industry practice	Utilities, Media, Information Technology, Chemicals	Final Update in Q4 2015	significant
Common and industry practice	Retail, Agriculture, Leisure	Proposed Update in Q3 2016	analysis in progress

# The 2015/2016 common practice project

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

# Activities to be reviewed

- At the **April 2015 ITCG meeting**, members largely agreed that common practice reviews **should continue** because they reduce the need for IFRS Taxonomy extensions
- Scope of the 2015/2016 common practice project (agreed with the **IFRS Taxonomy Review Panel** in July) comprises:

initiate review

Agriculture  
Leisure

complete review

Retail

# New process step : pre-screening

13

focussed analysis on sub-industries and disclosures that are likely to include new common practice

sample review of 5  
(10) companies  
chosen per sub-  
industry

no tagging, high-  
level analysis to  
identify potential CP

select sub-industries  
and note disclosures  
to tag and analyse in  
detail

# Pre-screening (results)

14

- **Agriculture**

- Agricultural Products
- Distillers & Vintners

- **Key Notes (examples)**

- Biological assets
- Hedging

- **Leisure**

- Casinos & Gambling
- Hotels & Resorts

- **Key notes (examples)**

- Borrowings
- Operating revenue

- A **second sample** of 50 companies will be reviewed in order to identify any potential CP **relating to franchise activities**

Q3 2015

- Pre-screening (now completed)

Q4 2015 & Q1 2016

- Empirical analysis and identification of potential common practice

Q1/Q2 2016

- Reviews by the ITCG, IFRS Taxonomy Review Panel and Technical Directors

Q3 2016

- Proposed IFRS Taxonomy update

# Exposure Draft *Disclosure Initiative*

## Proposed Amendments to IAS 7

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



- The Exposure Draft (ED) *Disclosure Initiative* (Amendments to IAS 7) **proposed new disclosure requirements** related to two topics:
  - Reconciliation of liabilities arising from financing activities
  - Cash restrictions
  
- The ED also incorporated **IFRS Taxonomy-related questions**:
  - IFRS Taxonomy due process proposals (see AP6 of this meeting)
  - IFRS Taxonomy content; this incorporated a question on whether anticipated common practice should be included within the IFRS Taxonomy

# Anticipated common practice

- The **view of the ITCG** on anticipated common practice **was divided**
  - **Minimises risk** that entities will need to **create their own extensions**
  - Anticipated common practice elements **can be deprecated** if it proves after empirical review that they are **not used**
  - Adding such elements might be considered to be an **interpretation of Standards**
- **Public feedback received** on the proposed amendments to IAS 7 was **also divided**, with slightly more respondents **agreeing with the proposal not to include** anticipated common practice elements

- The IASB tentatively decided:
  - **Not to include** anticipated common practice elements in the IFRS Taxonomy for the amendment to IAS 7 related to the reconciliation
  - **To continue performing research and outreach** on the potential inclusion of anticipated common practice elements in the IFRS Taxonomy.
- **Ten out of the thirteen** IASB members present **agreed** with this decision and **three disagreed**.

## Public feedback received:

Some respondents responded to Question 3c. Of these respondents, most expressed the view that the proposed labels of elements faithfully represent their meaning.

Some, on the other hand, highlighted that the wording of paragraph 50A suggests that the proposed element ‘Tax liabilities that would arise on repatriation of foreign cash and cash equivalent balances’ should be qualitative rather than quantitative.

Staff analysis and recommendation **was discussed at the September Board meeting** (*Agenda Paper 11E*)

44. As the staff recommendation is not to finalise the proposed amendment to IAS 7 at this time, the comments received on the Taxonomy elements cannot be directly used. The comments received on the Taxonomy will be used if and when further research is conducted on the issues addressed by the proposals to ensure that any new proposals are clear in terms of the type of information (qualitative or quantitative) that is required to be reported.

# IFRS filing profiles

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

# Current status

---

- First profiles published on the IFRS Foundation website in June – <http://go.ifrs.org/filingprofiles>
- Survey of countries and regulators continues
  - Overall filing rules for IFRS statements
  - Specific survey on IFRS Taxonomy use
- A second batch of profiles will be published Q4 2015

- IFRS Taxonomy based filing is split between mandatory and optional filing
- Most jurisdictions create extensions based on the IFRS Taxonomy however there is some use without changes or additions
- Most jurisdictions do not require or allow preparers to include extension items
- The version of IFRS Taxonomy in use and frequency of update is quite varied



# Adoption update

---

- A number of jurisdictions have recently updated or are in the process of updating the version of the IFRS Taxonomy in use. For example
  - Malaysia
  - Israel
  - China
  - Denmark
- Some new XBRL projects have published consultation documents including IFRS Taxonomy adoption

# Other areas of interest

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

# Other projects

Project	Notes
Entity specific disclosures	Staff continued research at XII conference Helping work towards setting up an XII working group Will continue to consider IFRS focussed paper
Encouraging regular updates	Recorded and discussed conclusions from ITCG discussion in May Continue to work on this with discussion on version control this meeting and terms and conditions
Data modelling	Calls with FASB continue Further work on alternative disclosure modelling to follow
Terms and conditions	A version for outreach has been drafted and will be sent to the ITCG for review once internal review is complete There will also be targeted outreach with regulators

# IFRS Taxonomy translations

Language	Annual version of the IFRS Taxonomy			
	Latest before 2013	2013	2014	2015
Arabic	2012	X	X	X
Chinese, simplified	2009			
Chinese, traditional	2010			
Dutch	2009			
French	2009			
German	2009			
Hungarian	2012		X	WIP
Italian	2011			
Japanese	2012	X	X	WIP (Q4)
Korean	2012	X	X	WIP
Portuguese (Portugal)	2006			
Spanish	2012	X	X	WIP (Q4)
Ukrainian	2012	X	WIP	
Turkish	N/A	WIP		
<b>Total:</b>		<b>5</b>	<b>5</b>	<b>1</b>

WIP – work in progress (request received and form has been sent out)



# Versioned IFRS Taxonomy Illustrated

new changes to improve user navigation

## Taxonomy Visualisation

[Expand all] [Collapse all]  collapsible Element Label Linkroles (ELR)

- + [510000] Statement of cash flows, direct method
- + [520000] Statement of cash flows, indirect method
- + [610000] Statement of changes in equity
- + [710000] Statement of changes in net assets available for benefits
- + [800100] Notes - Subclassifications of assets, liabilities and equities
- + [800200] Notes - Analysis of income and expense
- + [800300] Notes - Statement of cash flows, additional disclosures
- + [800400] Notes - Statement of changes in equity, additional disclosures



distinct colours to highlight the ELR's with (orange) or without (blue) changes