International Financial Reporting Standards
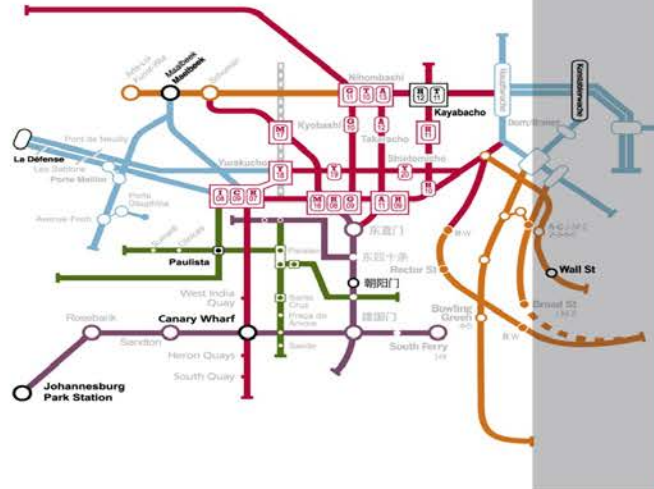
The IFRS Taxonomy Due Process

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

Aims of this session

- to provide a short update on the progress made and the next planned steps

- to discuss the involvement of the IFRS Taxonomy Consultative Group (ITCG) within the proposed IFRS Taxonomy due process

Update

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Progress in the last three months

- We last asked for your views at the June ITCG call*

- We had a discussion with the Accounting Standards Advisory Forum (ASAF) in July*

- We presented our staff analysis to the IASB in July*

- We finalised the draft Invitation to Comment in September (subject to approval by the DPOC)

* See the appendix for links to the relevant meetings and papers

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Proposed next steps

October 2015

Draft Invitation to Comment* for review and approval by the Due Process Oversight Committee (DPOC)

Nov 2015– Jan 2016

Publication of the Invitation to Comment and public consultation

Feb - May 2016

- Analysis of comments and finalisation of amendments

- DPOC approval of the final IFRS Taxonomy due process

*   Available as Agenda Paper 7A of this meeting

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A major change to our original proposal …

The staff are now proposing to the DPOC that a public consultation of a *Proposed IFRS Taxonomy Update* takes place after the final Standard has been issued

- responding to concerns raised by a large number of respondents
  - may delay or impact standard-setting
  - ineffective process, disclosures are still subject to change

- most members of the IASB also did not support concurrent publication and consultation

- some members of the IASB suggested to re-visit the topic when there is a critical mass of use of the IFRS Taxonomy

… but still capitalising on the benefits integration can bring

For example, the staff are proposing to the DPOC that:

- The IASB develops the *Proposed IFRS Taxonomy Update* document with the final Standard, IASB papers may incorporate IFRS Taxonomy content-related matters if review or approval by the IASB on a specific topic is required

- an *IFRS Taxonomy Update* document for content changes that reflect new or amended Standards has the same status as accompanying material to the *Standard …*it emphasises the presentation and disclosure requirements and it also aids the understanding of those requirements

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Involvement of the ITCG

Role of the ITCG

- The (draft) proposed IFRS Taxonomy due process recognises and emphasises the important role of the ITCG
  - The ITCG helps to ensure the integrity of the content and technology of the IFRS Taxonomy

- The staff proposal to the DPOC largely reflects the current role and practices of the ITCG, but there are two important changes (see next slides)

An IFRS Taxonomy update reflecting new or amended Standards

- ❑ IFRS Taxonomy changes are developed in consultation with the ITCG

- ❑ The staff normally deliver a draft outline of the *Proposed IFRS Taxonomy Update* document and, if they have been prepared, the *Proposed IFRS Taxonomy Files*, for review by members of the ITCG

- ❑ The ITCG review period is normally aligned with the fatal flaw review period of the drafting of the final Standard or Interpretation

review   guidance   change

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IFRS Taxonomy technology changes

- ❑ IFRS Taxonomy changes are developed in consultation with the ITCG
- ❑ The staff shall discuss comments received and the changes to original proposals, including any proposal to re-expose with the ITCG

- ❑ The staff must provide the ITCG with a draft outline of the *Proposed IFRS Taxonomy Update* document, a draft of the *Proposed IFRS Taxonomy Files* and, where published, any draft of the *Request for Information* for their review prior to publication and consultation
- ❑ A review by the ITCG of the (final) *IFRS Taxonomy Files* and the *IFRS Taxonomy Update* document is optional

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Questions

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Questions

- Do you agree with the two changes we have proposed to the DPOC with regards to the role and involvement of the ITCG?

- ITCG reviews are important. Do you have any suggestions as to how to increase the effectiveness of those reviews?

Appendix

Relevant papers and discussion

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Relevant papers and discussions

- June 2015 ITCG conference call
  - agenda Paper 4, a meeting summary is available at: http://www.ifrs.org/Meetings/MeetingDocs/XBRL/2015/June/Meeting%20Summary%20-%20June.pdf

- July 2015 ASAF meeting
  - agenda paper 5B, a meeting summary is available at: http://www.ifrs.org/Meetings/MeetingDocs/ASAF/2015/July/ASAF-July-Summary-201507.pdf

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Relevant papers and discussions

- July 2015 IASB meeting
  - agenda papers 13 and 13A to 13C, available at http://www.ifrs.org/Meetings/Pages/IASB-Meeting-July-2015.aspx

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Thank you