

Summary of the IFRS Taxonomy™ Consultative Group discussions

The IFRS Taxonomy Consultative Group (ITCG) held a conference call on 28 July 2016.

This note has been prepared by the staff of the International Accounting Standards Board (the Board), and is a summary of the discussions. Recordings of the meeting and related papers are available on the [meeting page](#).

At the start of the session, the ITCG members were informed that:

- the revised due process became effective 23 June 2016. Accordingly, the IFRS Taxonomy Review Panel has been set up;
- as a result of feedback received from constituents during the 2015 Agenda Consultation, the Board plans to prioritise 'Better Communication' in its future work. The theme of 'Better Communication' was introduced by IASB Chairman Hans Hoogervorst in a [speech](#) at the IFRS Foundation conference in Zurich; and
- digital reporting (including the IFRS Taxonomy) will play a key role in achieving 'Better Communication'.

The ITCG then discussed:

- the *Guide to Common Practice Content*; and
- Amendments to IFRS 4: Applying IFRS 9 *Financial Instruments* with IFRS 4 *Insurance Contracts*.

Guide to Common Practice Content

The staff provided an overview of the changes made to the *Guide to Common Practice Content* and actions they are considering in response to comments received from ITCG members. The IFRS Foundation aims to publish the *Guide to Common Practice Content* in August 2016.

The staff explained that the planned common practice project on IFRS 13 *Fair Value Measurement* will consider common practice disclosures on the fair value of financial instruments, if those disclosures are in the scope of IFRS 13. However, the project will not consider common practice disclosures on financial instruments that are in the scope of IFRS 7 *Financial Instruments: Disclosures* only.

One member asked whether the IFRS Taxonomy indicates where the elements originate from—the requirements of the Standards, Illustrative Examples or common practice analysis. The staff replied that element reference types indicate the source of the elements.

The ITCG members discussed 'completeness' as a criterion for selecting common practice elements:

- one ITCG member cautioned that applying this criterion might clutter the IFRS Taxonomy with unused elements. A staff member responded that the completeness criterion has so far resulted in the selection of only a limited number of elements in the IFRS Taxonomy.
- one ITCG member asked the staff whether some frequency threshold (lower than 10%) is used when applying the completeness criterion. The staff replied that there is no fixed threshold and that judgement is used instead.

Amendments to IFRS 4: Applying IFRS 9 *Financial Instruments* with IFRS 4 *Insurance Contracts*

The staff explained that, in accordance with the ITCG's suggestions received during the June 2016 face-to-face meeting:

- the elements for which there is no early application will be included in the annual IFRS Taxonomy 2018 files; and
- an 'effect of overlay approach adjustment' axis and member will be created, to be used with existing line items from the entity's statement of profit or loss.

The staff sought the views of the ITCG members on a modelling issue related to disclosures for joint ventures and associates that need to be presented along with consolidated information. The staff proposed three options:

- option 1—create separate sections/tables in the Taxonomy for each type of entity;
- option 2—create one table with both currently available axes (ie 'joint ventures' and 'associates'); and
- option 3—create one table with a new axis (ie 'consolidated, associates and joint ventures').

The staff suggested that option 3 should be discarded because it is inconsistent with the modelling currently used for IFRS 12 *Disclosure of Interests in Other Entities*, which would make it harder for users to extract data. Three ITCG members expressed a preference for option 1, saying it would result in the most intuitive presentation for preparers. These members did not believe that the resulting repetition of line items in the presentation and definition linkbase is an issue. One ITCG member expressed a preference for option 3, though acknowledging that it is not a feasible option in the short term due to its inconsistency with IFRS 12.

The staff clarified that new elements relating to the overlay approach will be available for use from the date the amendments are issued, until the effective date of the new insurance contract Standard. Elements relating to the temporary exemption from IFRS 9 will be available for use from 1 January 2018 until 1 January 2021.

The ITCG members were invited to submit their comments on the proposed IFRS Taxonomy Update by 29 July 2016.