Update on activities

Financial Reporting Initiative including the IFRS Taxonomy™

Rachel Knubley—Technical Principal
Aims of this agenda topic

• To update members of the IFRS Taxonomy Consultative Group (ITCG) on the Financial Reporting Initiative and the recent activities of the IFRS Taxonomy team; and

• To answer any questions members may have
Agenda

• Introduction by Hugh Shields
• The Financial Reporting Initiative—overview
• IFRS Taxonomy activities—overview
• IFRS Taxonomy due process
• Other areas of interest
New organisational structure

The Financial Reporting Initiative Team

- Disclosure Initiative
- Primary Financial Statements
- Wider Corporate Reporting
- Digital reporting

A group of interrelated projects and work streams

Digital reporting includes the activities relating to the IFRS Taxonomy and the impact of developments in technology on financial reporting
Disclosure problem?

- Too much irrelevant information (overload)
- Not enough relevant information
- Poor communication

Disclosure Initiative

- Enabling preparer judgement
- Principles of Disclosure (POD)
- Improved disclosure requirements
- Improved disclosures

Amendments IAS 1
Materiality Practice Statement
Standards-level review of disclosures
Amendments to IAS 7
Digital reporting

What is the Primary Financial Statements Project?

- *Early stage research project* looking at the structure and content of Primary Financial Statements
- *Initial focus* is on:
  - improving the communication of financial performance; and
  - researching problems with the existing structure and content of statement of cash flows and statement of financial position

We will consider implications of digital reporting for our approach to the Primary Financial Statements project
Wider Corporate Reporting

Trustees’ Review of Structure and Effectiveness—views of Trustees

- Developments in corporate reporting have and continue to be made
- The Board and the Foundation should be fully aware and participate in these developments so that, if appropriate, the necessary steps can be taken to maintain the relevance of the IFRS Standards
- Some modest staff resource will be dedicated to this area

Creation of a new work stream ‘Corporate Reporting’
## Areas of focus in the last six months

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFRS Taxonomy content</td>
<td>• Publication of the <em>Annual IFRS Taxonomy 2016</em> and three IFRS Taxonomy Updates</td>
</tr>
<tr>
<td>Governance</td>
<td>• Finalisation of the revised IFRS Taxonomy due process (see slides 14 to 17)</td>
</tr>
</tbody>
</table>
| Adoption and implementation           | • IFRS filing profiles and outreach*  
• Management of entity-specific disclosures* |
| Educational and supporting materials  | • *Guide to IFRS Taxonomy™ common practice content*  
• Enhancements to the IFRS Taxonomy Illustrated (see next slide)                                                                       |
| Trustees’ review                      | • Strategy relating to the IFRS Taxonomy and wider impact of technology upon the relevance of the IFRS Standards*                     |

* These topics are being discussed in detail later today
The IFRS Taxonomy Illustrated (ITI) in HTML

• We discussed the proposed enhancements at our February 2016 call
  • you reviewed and supported the proposals
• Implementation is planned for July 2016 (eIFRS website)
IFRS Taxonomy due process
Near finalisation

March–April 2016 comment letter analysis and revisions

May 2016
Due Process Oversight Committee (DPOC) approval*

June 2016
publication of the final process**

* The draft IFRS Taxonomy due process and the draft Feedback Statement are available at: http://www.ifrs.org/Meetings/Pages/Due-Process-Oversight-Committee-meeting-May-2016.aspx

** The IASB and IFRS Interpretations Due Process Handbook will be amended to include the IFRS Taxonomy due process
### Retention of the core proposals

<table>
<thead>
<tr>
<th>Oversight</th>
<th>Timing</th>
<th>Role of the ITCG</th>
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</thead>
</table>
| • The Board approves taxonomy content directly reflecting the IFRS Standards  
• The IFRS Taxonomy Review Panel reviews, but does not approve, common practice content | • Public consultation of taxonomy updates for the final IFRS Standards only  
• Concurrent drafting and publication of the *Proposed IFRS Taxonomy Update* document and the related final IFRS Standard (but with some exceptions) | • Review of proposed amendments to the taxonomy  
• Reviews to take place at the same time as the editorial fatal flaw review of the related IFRS Standard  
• Guidance during the IFRS Taxonomy development process |
Main changes to the proposals

The *IFRS Taxonomy Update* document is no longer an accompanying material to the final IFRS Standard

- Not all respondents supported the staff’s view that the *IFRS Taxonomy Update* document can aid the understanding of the IFRS presentation and disclosure requirements

Introduction of a new section describing the objectives of the IFRS Taxonomy due process

- A few respondents expressed a concern that the due process lacks a clear purpose
Other changes to the proposals—drafting

Clarification that *Proposed IFRS Taxonomy Files* for content amendments are published if considered appropriate

- A few respondents and some members of the ITCG thought that certain stakeholders may prefer to view (and therefore are more likely to comment) the proposed content changes using the *Proposed IFRS Taxonomy Files*

Better explanation of how the IFRS Taxonomy interacts with standard-setting

- Many respondents warned that taxonomy considerations should not constrain the principles-based approach of standard-setting
Other areas of interest
## Other projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Notes</th>
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</thead>
<tbody>
<tr>
<td>Translations</td>
<td>See slides 20 and 21</td>
</tr>
<tr>
<td>Encouraging regular taxonomy updates</td>
<td>Outreach with regulators to encourage update continues. We will continue to consider how we can provide better support for regulators in the longer term based on ITCG feedback</td>
</tr>
<tr>
<td>Data modelling</td>
<td>Considered in review of the IFRS Taxonomy strategy</td>
</tr>
<tr>
<td>Terms and conditions</td>
<td>Work on terms and conditions for the IFRS Taxonomy continues. ITCG review and regulator outreach will follow once internal discussions are completed.</td>
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# Available translations—IFRS Taxonomy

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<tr>
<th></th>
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</thead>
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<tr>
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<td>X</td>
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<tr>
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<tr>
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<tr>
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<tr>
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<tr>
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<td>X</td>
<td>WIP</td>
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<tr>
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<td>Japanese</td>
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<td>X</td>
<td>WIP</td>
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<td>X</td>
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<td>WIP</td>
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<tr>
<td>Portuguese (Portugal)</td>
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<tr>
<td>Spanish</td>
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<td>X</td>
<td>WIP</td>
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<tr>
<td>Ukrainian</td>
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<tr>
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<td>WIP</td>
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<td><strong>5</strong></td>
<td></td>
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</table>

WIP—work in progress (request received and form has been sent out)
Other IFRS Taxonomy translations

• The ITI is translated fully in Spanish

<table>
<thead>
<tr>
<th>[110000] Información general sobre estados financieros</th>
<th>bloque de texto</th>
<th>NIC 1.51 Información a revelar</th>
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<tbody>
<tr>
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<td>bloque de texto</td>
<td>NIC 1.51 Información a revelar</td>
</tr>
<tr>
<td>Nombre de la entidad que informa u otras formas de identificación</td>
<td>texto</td>
<td>NIC 1.51 Información a revelar</td>
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<tr>
<td>Explicación del cambio en el nombre de la entidad que informa u otras formas de identificación desde el final del periodo sobre el que se informa precedente</td>
<td>texto</td>
<td>NIC 1.51 Información a revelar</td>
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For other languages, group and element labels are only translated

• The versioned IFRS Taxonomy Illustrated is available for Arabic, Hungarian, Japanese, Korean and Spanish.
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