



# IFRS Taxonomy implementation

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# Agenda

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- Experiences with using the IFRS Taxonomy in practice
- Taxonomy implementation support:
  - US GAAP Taxonomy
  - IFRS Taxonomy – currently available
  - IFRS Taxonomy – ideas for the future
- Break-out session
- Summary of break-out session



# Using the IFRS Taxonomy in practice

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- TBC - PwC presentation on experiences with tagging IFRS financial statements using the IFRS Taxonomy



# Taxonomy implementation support: US GAAP Taxonomy

# US GAAP Taxonomy implementation support

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- Louis Matherne (FASB Chief of Taxonomy Development) presentation about:
  - Taxonomy Implementation Guides – documents communicating how the Taxonomy is designed
  - Taxonomy Implementation Notes (TIN) – custom references containing information about appropriate use of element, its sign, replacement elements (in case of an upcoming change), etc



# Taxonomy implementation support: IFRS Taxonomy – now

## IFRS Taxonomy support – now

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- The IFRS Taxonomy files and materials currently include some **content aimed at supporting consistent implementation of the Taxonomy.**
- This content includes:
  - **References** to IFRS Standards, including the IFRS for SMEs
  - **Documentation labels** (since 2014)
  - **Illustrative examples** (since 2011)
  - **Taxonomy Update documents** (since 2013)

# IFRS Taxonomy support – references and labels

- **References** inform users about the **accounting sources** of elements
- **Documentation labels** provide **accounting definitions** of elements

type	value
name	PropertyPlantAndEquipment
Label: ▼	
type	value
label (en)	Property, plant and equipment
documentation (en)	The amount of tangible assets that: (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used during more than one period.
Reference: ▼	
type	value
disclosureRef	IAS 1 2016-01-13 54 a <a href="http://eifrs.ifrs.org/eifrs/XBRL?type=IAS&amp;num=1&amp;date=2016-03-30&amp;anchor=para_54_a&amp;doctype=Standard">http://eifrs.ifrs.org/eifrs/XBRL?type=IAS&amp;num=1&amp;date=2016-03-30&amp;anchor=para_54_a&amp;doctype=Standard</a> 2016-04-28
disclosureRef	IAS 16 2016-01-13 73 e <a href="http://eifrs.ifrs.org/eifrs/XBRL?type=IAS&amp;num=16&amp;date=2016-03-30&amp;anchor=para_73_e&amp;doctype=Standard">http://eifrs.ifrs.org/eifrs/XBRL?type=IAS&amp;num=16&amp;date=2016-03-30&amp;anchor=para_73_e&amp;doctype=Standard</a> 2016-04-28



# IFRS Taxonomy support – illustrative examples

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- 16 illustrative examples are currently available, covering most of the presentation and disclosure examples in the IFRS Bound Volume

## Example Content

- 1 IFRS for SMEs Illustrative Financial Statements
- 2 IAS 1 Presentation of Financial Statements
- 3 IAS 7 Statement of Cash Flows
- 4 IFRS 7 Financial Instruments: Disclosures (Gain or loss on initial recognition)
- 5 IFRS 8 Operating Segments
- 6 IFRS 1 First-time Adoption of IFRS
- 7 IFRS 2 Share-based Payment
- 8 IFRS 3 Business Combinations
- 9 IAS 16 Property, Plant and Equipment
- 10 IAS 12 Income Taxes
- 12 IAS 27 Separate Financial Statements
- 15 IFRS 13 Fair Value Measurement
- 16 IFRS 7 Financial Instruments: Disclosures (Offsetting)
- 17 IFRS 14 Regulatory Deferral Accounts
- 18 IFRS 15 Revenue from Contracts with Customers
- 19 IFRS 7 Financial Instruments: Disclosures (Credit risk exposure)

# IFRS Taxonomy support – illustrative examples

- Illustrative examples are **available in XBRL format** for users who work with XBRL software

		Property, plant and equipment		
		Land and buildings	Fixtures and fittings	
Gross carryi... ▼	Property, plant and equipment			
Gross carrying amount	Property, plant and equipment	(Abstract)	(Abstract)	(Abstract)
	Property, plant and equipment	(Abstract)	(Abstract)	(Abstract)
	Property, plant and equipment	(Abstract)	(Abstract)	(Abstract)
	Changes in property, plant and equipment	(Abstract)	(Abstract)	(Abstract)
	Additions other than through business combinations,	(No contexts d...	485,000	485,000
	Depreciation, property, plant and equipment	(No contexts d...	-	-
	Impairment loss recognised in profit or loss, property	(No contexts d...	-	-
	Disposals, property, plant and equipment	(No contexts d...	241,000	241,000
	Total increase (decrease) in property, plant and equi	(No contexts d...	244,000	244,000
	Property, plant and equipment	1,960,000	1,346,045	3,306,045

# IFRS Taxonomy support – illustrative examples

- Illustrative examples are also available in html format (inline XBRL) for users who find this format more accessible

## IFRS Taxonomy 2016 – Illustrative examples

### Reconciliation of changes in property, plant and equipment

Synthetic example on the base of illustrative example from IFRS for SMEs demonstrating the reconciliation of gross carrying amount, accumulated depreciation and carrying amount of property, plant and equipment using detailed XBRL tagging.

Year ended 31-Dec-2012			
	Land and buildings	Fixtures and fittings	Property, plant and equipment
<b>Gross carrying amount</b>			
Property, plant and equipment at beginning of period	€ 1,960,000	€ 1,102,045	€ 3,062,045
<b>Changes in property, plant and equipment</b>			
Additions other than through business combinations, property, plant and equipment		€ 485,000	€ 485,000

```
contextRef="e2011_GrossCarryingAmountMember_LandAndBuildingsMember"
format="ixt:numcommadot" name="ifrs-full:PropertyPlantAndEquipment"
unitRef="EUR"
decimals="0" scale="0"
>1,960,000<
```

Markup Language file | length : 57236 | lines : 1764 | Ln : 829 | Col : 31 | Sel : 0 | 0 | UNDX | U



# IFRS Taxonomy support – Update documents

- Update documents present **example tagging** as well as explain the **reasoning behind decisions** affecting the IFRS Taxonomy

**Example**

43 Please refer to the disclaimer within the document overview when using this example.

Line items for disclosure of information about amounts that affected statement of comprehensive income as result of hedge accounting	Types of risk (A)	Types of hedges (A)		
		FV hedge (M)	CF hedge (M)	Hedges of NI in FO (M)
Gain (loss) on hedge ineffectiveness	Types of risk (A)			
	Currency risk (M)	V	V	V
Description of line item(s) in statement of comprehensive income that includes recognised hedge effectiveness	Types of risk (A)			
	Currency risk (M)	T	T	T
Gains (losses) on cash flow hedges, net of tax	Types of risk (A)			
	Oil commodity price risk (ESM)	NA	V	NA

## Disclosure of information about credit exposures designated as measured at fair value through profit or loss

**Description—new table**

- 44 The new requirements in paragraph 24G of IFRS 7 relating to the disclosure of information about credit exposures have been modelled in the IFRS Taxonomy using a dimensional structure resulting in a new IFRS Taxonomy table.
- 45 This table has been created using:
- (a) a new IFRS Taxonomy axis 'Financial instruments measured at fair value through profit or loss because credit derivative is used to manage credit risk' is added to allow reporting by instrument; and
  - (b) a list of line items added for disclosures related to credit exposures designated as measured at fair value through profit or loss.
- 46 Some line items in the table represent reconciliation movements. This Proposed Interim Release includes a line item for the total reconciliation movement. It is expected that entities may add their own line items if they are required.



# Taxonomy implementation support: IFRS Taxonomy – future

# IFRS Taxonomy support – future

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Some ideas for **additional content to support IFRS Taxonomy implementation:**

## 1) Support **within the Taxonomy files:**

- implementation notes as:
  - custom references (similarly to US Taxonomy Implementation Notes)
  - custom labels
- abstract elements in linkbases (similarly to UK Financial Reporting Council Taxonomy)
- links between deprecated and replacement elements

## 2) Support **outside of the Taxonomy files:**

- implementation guides (similarly to US Taxonomy Implementation Guides)
- descriptive information for existing illustrative examples
- general guidance about the IFRS Taxonomy (information that presentation view is only for information purposes, that elements may be moved between presentation groups, etc)

# Implementation notes

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Content of **implementation notes** could include information on:

- expected **use of element** (eg ‘not to be used in statement of cash flows’)
- expected **sign of reported value** (positive / negative)
- whether **application before effective date** is allowed
- history of **changes** made to element (amended labels and/or references)
- **cross-references** to related elements or sections elsewhere in the Taxonomy
- the element being a potential **substitute for a deprecated element**
- **matters considered when adding** the element into the Taxonomy
- **IFRS accounting guidance** (please refer to question 4 for Group 1)

## Abstract elements

Labels of **abstract elements** could include information on:

- expected **use of dimensions** within a particular section (as in the example below)
- **location of similar elements** (eg ‘for further breakdowns of X, see...’)
- **general guidance** (eg ‘elements labelled explicitly as net are for net amounts only’)

Example (from the UK FRC Taxonomy):

Element Declaration: ▼	
type	value
name	UseContinuingDiscontinuedDimensionToIdentifyContinuedDiscontinuedHeldForSaleValuesGuidance
id	core_UseContinuingDiscontinuedDimensionToIdentifyContinuedDiscontinuedHeldForSaleValuesGuidance
type	types:guidanceItemType
substitution Group	xbri:item

  

Label: ▼	
type	value
label (en)	Use continuing / discontinued dimension to identify continued, discontinued and held for sale values [guidance]

# Implementation guides

Implementation guides demonstrate the modelling of disclosures within a given section of the Taxonomy, including specific examples.

Example (from one of the FASB guides):

**Example 1**—Disclosure of Information about the Liability for Unpaid Claims and Claim Adjustment Expenses

This example illustrates the modeling of the disclosure for claims development information about the liability for unpaid claims and claim adjustment expenses for short-duration insurance contracts.

Homeowners' Insurance (in thousands)													
Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance											As of December 31, 2016		
Accident Year	December 31,										Incurred but Not Reported Liabilities, Net of Reinsurance	Cumulative Number of Reported Claims	
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016			
	L1	L1	L1	L1	L1	L1	L1	L1	L1	L1	L4	L5	
A1:M1, A2:M12	2007	\$ 10,00	\$ 9,900	\$ 9,700	\$ 9,800	\$ 9,750	\$ 9,750	\$ 9,600	\$ 9,650	\$ 9,575	\$ 9,550	\$5	35
A1:M2, A2:M12	2008	0	10,950	11,000	10,500	10,750	10,850	10,600	10,250	10,150	10,250	30	34
A1:M3, A2:M12	2009			12,000	11,750	11,500	10,900	10,900	10,850	10,750	10,500	90	34



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# Break-out session

## Break-out session – groups

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Group 1		Group 2	
Ashok	Marshall	Dave	Michal
Chie	Mike	Doug / Binh	Michael
John	Thomas	Jim	William
Koichi / Junya		Jinguang / Shu	
Krishnan		Kimberly	
Kyle		Liv	
Louis		Lou	
Maciej		Masatomo	

## Break-out session – common questions

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- 1) Does the IFRS Taxonomy need any additional implementation support?
- 2) If yes, what should be:
  - the **location** of this content (within the Taxonomy files, separate or both)?
  - the **form** of this content (implementation note references/labels, implementation guides, additional abstract elements, illustrative examples, other)?
  - the **scope** of this content (new elements only, [selected] existing elements)?

## Break-out session – Group 1 specific questions

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- 3) In case of **implementation notes** and/or **abstract elements** – what **type of information** should they cover?
- 4) Should the Taxonomy implementation content include any **accounting guidance** from IFRS Standards?
  - example 1 – ‘right-of-use assets that meet the definition of investment property shall be presented in the statement of financial position as investment property’?
  - example 2 – ‘interest expense on the lease liability is a component of finance costs’
  - example 3 – ‘the lessee shall recognise the lease payments... as an expense on either a straight-line basis over the lease term or another systematic basis’

## Break-out session – Group 2 specific questions

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- 3) In case of **implementation guides**:
- **which areas** should be addressed first?
  - should we aim to **convert existing illustrative examples** into guides?
- 4) Should the Taxonomy implementation content include any **guidance** related to '**best practice**' **tagging rules**, for example:
- 'an entity shall use the most detailed element available in the Taxonomy' or
  - 'an entity shall use the most general element available in the Taxonomy' or
  - 'an entity shall use both the more detailed and the more general element available in the Taxonomy'?



# Summary of break-out session

# Contact us

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