



IFRS Taxonomy content

ITCG meeting, October 2016

Bartek Czajka – Senior Technical Manager
Richard Fraser – Assistant Technical Manager

The views expressed in this presentation are those of the presenter, not necessarily those of the International Accounting Standards Board (the Board) or IFRS Foundation.

- During previous meetings we have **introduced** the topics of **extensible enumerations** and **typed dimensions**, as potential new features for the IFRS Taxonomy.
- The **FASB** has **included both** features in the **draft US GAAP Taxonomy 2017**.
- This session will contain a **FASB presentation** and a detailed **discussion about the advantages and disadvantages** of introducing **extensible enumerations and typed dimensions** into the IFRS Taxonomy.
- We will also discuss additional IFRS Taxonomy **common practice elements for financial institutions**.

- Extensible enumerations and typed dimensions
 - Presentation from the FASB
 - Potential impact on the IFRS Taxonomy
- Proposed common practice additions for financial institutions

FASB presentation

Louis Matherne – Chief of Taxonomy Development

Potential impact on the IFRS Taxonomy

- When **extensible enumeration** is used, the reported value of an element is chosen from **a list of predefined** (but extensible) **values**.
- There are **27** ‘**Description of line item in statement of X**’ elements in the IFRS Taxonomy. These text elements **could potentially be replaced by extensible enumerations** (slide 7 presents an example).
- The FASB team amended the mapping for retirement plans to replace **4 axes** with an extensible enumeration. Those axes are **not currently available** in the IFRS Taxonomy.
- The FASB team modelled the impact of the initial application of the Revenue Standard by means of extensible enumeration. The IFRS Taxonomy models this disclosure differently, where existing line items are reported with the ‘**Increase (decrease) due to application of IFRS 15 [member]**’.

Extensible enumerations – example

- Current tagging

Presentation of leases for lessee [abstract]	(Abstract)	
Right-of-use assets that do not meet definition of investment property	1,000	e2015
Description of line items in statement of financial position which include right-of-use assets	property, plant and equipment	y2015

- Tagging using an extensible enumeration

Presentation of leases for lessee [abstract]	(Abstract)	
Right-of-use assets that do not meet definition of investment property	1,000	e2015
Line items in statement of financial position which include right-of-use assets [extensible enumeration]	ifrs-full:PropertyPlant AndEquipment	e2015

- Advantages:
 - **More consistency** in reporting compared to free-text elements
 - **Clear link** to the taxonomy item that is reported as value of the enumeration (eg. ifrs-full:PropertyPlantAndEquipment)
- Disadvantages:
 - **New architectural construction**, not used before – potential problem for users of the IFRS Taxonomy (extensive consultation necessary)
 - **List of available choices** may be an issue – **risk of interpreting the Standards**
 - Only **single choice field** at the moment (however this is to be changed in the specification)

QUESTIONS:

- Should we consider replacing ‘Description of line item in statement of X’ elements with extensible enumerations?
- Are there any other cases where we should consider extensible enumerations?

- The FASB team used **typed dimensions** as a method of **connecting separate line items together** (a ‘container dimension’). This is to **alert users** of the financial statements that the **information** being provided **is related** and might need to be considered together.
- For example, ‘Lease Classification [Axis]’ connects such line items as: ‘Lessee, Leases Description’, ‘Lessee Leases, Option to Extend’, ‘Lessee Leases, Restrictions or Covenants’, when the disclosure is provided for different classifications of leases.
- The **IFRS Taxonomy** has **never used typed dimensions**. Explicit dimensions are used instead, for example ‘Borrowings by name [axis]’.

Typed dimensions – example

- Current tagging

	Borrowings by name [member]	
Disclosure of detailed information... ▼	B1 [member]	B2 [member]
Disclosure of detailed information about borrowings	(Abstract)	(Abstract)
Disclosure of detailed information about borrowings	(Abstract)	(Abstract)
Borrowings	100	200
Notional amount	110	205
Borrowings, interest rate	0.05	0.02
Borrowings, interest rate basis	LIBOR	WIBOR

Explicit members
(in the taxonomy)

- Tagging using a typed dimension

	aaa: BorrowingsByNameTypedDimension.domain = B1	aaa: BorrowingsByNameTypedDimension.domain = B2
Disclosure of reclassification of financial assets	(Abstract)	(Abstract)
Disclosure of detailed information about reclassification of financial assets	(Abstract)	(Abstract)
Borrowings	100	200
Notional amount	110	205
Borrowings, interest rate	0.05	0.02
Borrowings, interest rate basis	LIBOR	LIBOR

Typed members
(in the instance document)

- Advantages:
 - Dimension members only appear in the instance document, therefore the base taxonomy does not have to be extended by the reporting entity
 - Reduction in number of taxonomy constructs for which explicit dimensions are used – the container functionality taken over by typed dimensions
- Disadvantages:
 - An architectural design never used in the IFRS Taxonomy before - potential problem for users (extensive consultation necessary)
 - All members are siblings – no hierarchy of members
 - Prone to inconsistencies over time as the dimension members are in the instance document only and have to be input for every reporting

QUESTIONS:

- Should we consider using typed dimensions in the IFRS Taxonomy?
- If yes, we would consider using typed dimensions in a ‘container’ functionality first. Are there any other taxonomy constructs where typed dimensions would be particularly useful?

Proposed common practice additions for financial institutions

- In May 2016, we received **feedback from a user** of the IFRS Taxonomy.
- This user had **mapped** the IFRS primary financial statements of **5 large banks** in a particular jurisdiction to the IFRS Taxonomy.
- This user presented us with a list of disclosures for which they could not identify **an IFRS Taxonomy element** :
 - Some disclosures can be considered as being specific to a particular entity
 - Other disclosures were reported by almost all the 5 banks, we thought that these may qualify as potential new common practice additions (see next slide)

- We have reviewed these disclosures by **comparing them** to the empirical data gathered from our **review of financial institutions** done in 2012.
- We have **applied our standard criteria** for proposing common practice additions to the IFRS Taxonomy (such as frequency and consistency with the IFRS Standards).
- Our review has resulted in **21 new common practice elements** being proposed for inclusion in the IFRS Taxonomy and **2 elements being rejected** despite meeting the frequency criterion.

- We have discussed the list of elements that met our criteria with the **IFRS Taxonomy Review Panel**.
- The **accompanying spreadsheet** includes the details of the **elements** we are proposing to add (or have rejected from adding) to the IFRS Taxonomy.
- We ask the ITCG members to **review these elements** and let us have any **feedback/comments** by November 8.
- We expect to publish a proposed Taxonomy Update in **Q4 2016**.

