Summary of the IFRS Taxonomy™ Consultative Group discussions

The IFRS Taxonomy Consultative Group (ITCG) held a conference call on 14 September 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.

The ITCG discussed:

- proposed common practice additions for leisure and agriculture;
- revised IFRS Taxonomy terms and conditions; and
- the ITCG review of amendments to IFRS 4 Insurance Contracts.

Proposed common practice additions for leisure and agriculture

The staff updated the ITCG on the status of the common practice analysis for leisure and agriculture and asked the ITCG to review a list of 54 proposed elements to be added to the IFRS Taxonomy. The staff explained their rationale for including the element ‘net debt’ and for rejecting the element ‘gross revenue’.

In response to a question from an ITCG member, the staff said that the documentation labels for the proposed elements had not been finalised yet. The ITCG member went on to ask what the documentation label for ‘net debt’ would be, given that it is neither defined by IFRS, nor is it consistently defined by preparers in practice. The staff said that they intend to use a documentation label similar to those used for other non-IFRS measures like operating profit, ie ‘net debt as reported/defined by the company’.

One ITCG member challenged the addition of the element ‘revenue from sale of sugar’, saying that this level of detail may not be required for the IFRS Taxonomy. The staff commented that this element was frequently reported (ie for more than 10% of agricultural companies in the sample) and similar elements (ie elements providing a breakdown of revenue) have already been included in the IFRS Taxonomy.

One ITCG member asked whether dimensions had been considered for modelling revenue breakdowns by product type. The staff replied that such a dimension exists within the IFRS Taxonomy. However, the current methodology is to create line items to model information that is frequently reported in the primary financial statements. The same ITCG member also suggested using extensible enumerations for the proposed elements for different types of actuarial assumptions (elements no. 51–53). Though the ITCG advised the staff not to use extensible enumerations in the past, the staff said they might reconsider this. This topic will be discussed in more detail at the October ITCG face-to-face meeting.

The staff said that the publication of the Proposed IFRS Taxonomy Update is targeted for Q4 2016, with final changes being included within the 2017 Annual IFRS Taxonomy.
Revised IFRS Taxonomy terms and conditions

The staff stated that the IFRS Foundation is planning to publish a revised set of terms and conditions for the IFRS Taxonomy during Q4 2016. The staff explained that the main objectives behind this revision were to:

- encourage stakeholders to use the latest versions of the IFRS Taxonomy;
- improve the IFRS Foundation’s knowledge of who is using the IFRS Taxonomy; and
- prevent inappropriate use of the IFRS Taxonomy.

A system requiring users to register and accept the terms and conditions before they can access the IFRS Taxonomy will also be implemented. ITCG members were asked to comment on the (draft) revised terms and conditions.

In response to a question from the ITCG Chairman, the staff clarified that the revised terms and conditions would not be applied retrospectively to existing downloads of the IFRS Taxonomy. One ITCG member asked how ‘the latest IFRS Taxonomy version’ would be defined. The staff said that this was not rigidly defined, recognising that not all users may be able to update their systems for every taxonomy update, but that good practice is to update at least once a year.

ITCG review of amendments to IFRS 4 Insurance Contracts

The staff provided an overview of the changes that were made to the (draft) Proposed IFRS Taxonomy Update for the amendments to IFRS 4 as a result of the review by the ITCG and the Board.

The Proposed IFRS Taxonomy Update was published at the same time as the related final amendments to the IFRS Standard.