

Meeting note—IFRS® Taxonomy Consultative Group

The IFRS Taxonomy Consultative Group (ITCG) held a conference call on 11 June 2018.

This note, prepared by the staff of the IFRS Foundation, summarises that conference call. Related papers and a recording of the call are available on the [meeting page](#).

ITCG members:

- continued their discussion from the April 2018 ITCG meeting on proposed changes to the IFRS Taxonomy identified in an analysis of common reporting practice relating to disclosure requirements in IFRS 13 *Fair Value Measurement*; and
- received an update on other IFRS Taxonomy activities.

Common practice analysis of IFRS 13 *Fair Value Measurement*

1. At the April 2018 ITCG meeting, ITCG members discussed some proposed changes identified in the IFRS 13 common practice analysis. These proposed changes mostly related to the sensitivity analysis required by IFRS 13. At this meeting, ITCG members discussed some other proposed changes—the addition of:
 - (a) two members to the existing ‘Valuation techniques used in fair value measurement’ axis;
 - (b) four line items for the significant unobservable inputs used in fair value measurement;
 - (c) one line item for the reconciliation from opening to closing balances of fair value measurements; and
 - (d) two line items for transfers between levels of the fair value hierarchy.
2. ITCG members generally agreed with the proposed changes, but some members had the following comments:
 - (a) one ITCG member said it seems odd to include the ‘Net Asset Value’ technique at the same presentation level as the ‘Market approach’, ‘Cost approach’ and ‘Income approach’. However, considering that the application of the Net Asset Value technique may involve using different techniques consistent with any of those three approaches, the member could not suggest a better solution. The staff had also considered this issue when developing their proposals.
 - (b) one ITCG member suggested removing the term ‘approach’ from the element label of the proposed new line item ‘Income capitalisation approach’. In that member’s view, the term ‘approach’ should only be used in the labels for the ‘Market approach’, ‘Cost approach’ and ‘Income approach’ and should not be used for more specific valuation techniques. The staff will consider this suggestion.
 - (c) one ITCG member suggested the disclosure of the value of significant unobservable inputs should be modelled using a dimensional approach. He argued such an approach is more appropriate than the current modelling using line items, because there is a lot of variability in which inputs entities disclose. The staff explained that this topic had already been discussed at the April 2018 ITCG meeting and that the staff is still analysing feedback from that meeting regarding the modelling for significant unobservable inputs. In addition, as discussed at the April 2018 ITCG meeting, the staff is proposing to add a ‘Significant

unobservable inputs' axis to tag sensitivity analyses. The staff clarified that the four new line items proposed for the disclosure of significant unobservable inputs (paragraph 1(b)) would also be added as members of that axis.

- (d) one ITCG member suggested changing the label for the proposed new line item 'Translation differences, fair value measurement, assets' to 'Increase (decrease) through net exchange differences, fair value measurement, assets'. This member argued that the suggested label is more consistent with other labels used in reconciliations to reflect translation differences, for example in paragraph 73(e) (viii) of IAS 16 *Property, Plant and Equipment* or in paragraph 141(e) of IAS 19 *Employee Benefits*. The staff will consider this suggestion.
- (e) two ITCG members commented on proposed elements relating to transfers between levels of the fair value hierarchy:
 - i. one ITCG member suggested the proposed elements could be modelled as Boolean elements instead of text elements. The staff replied that Boolean elements are currently not used in the IFRS Taxonomy. Consequently, the use of this element type would need to be reviewed separately and applied consistently to the entire IFRS Taxonomy content. The staff noted that such a review falls outside the scope of the current project.
 - ii. one ITCG member suggested that instead of adding the proposed elements, the scope of the existing text elements to tag the description of reasons for transfers could be broadened to include statements that there were no transfers between levels. The staff will consider this suggestion. However, the staff was concerned that under the suggested approach the element would capture a mix of information resulting from IFRS requirements and information resulting from common reporting practice, which may be confusing.

Update on other IFRS Taxonomy activities

- 3. ITCG members received an update on recent IFRS Taxonomy activities, including the publication of the IFRS Foundation annual report in XBRL and Inline XBRL, as well as ongoing work on:
 - (a) illustrative examples in XBRL and Inline XBRL that will be published soon;
 - (b) the IFRS Taxonomy formula linkbase that will be updated to reflect changes in the IFRS Taxonomy 2018;
 - (c) a webinar on the IFRS Taxonomy 2018;
 - (d) improvements to the IFRS Taxonomy and educational materials to support implementation, which were discussed at the April 2018 ITCG meeting; and
 - (e) translations of the IFRS Taxonomy.