

Meeting note—IFRS® Taxonomy Consultative Group

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

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

ITCG members:

- discussed general improvements to the IFRS Taxonomy 2018; and
- heard an update on other IFRS Taxonomy activities.

General improvements to the IFRS Taxonomy 2018

1. ITCG members continued their discussion from the September 2018 meeting on possible general improvements to the IFRS Taxonomy 2018. After this meeting, the staff plans to prepare materials for review by the ITCG and IFRS Taxonomy Panel and draft the Proposed IFRS Taxonomy Update.
2. The staff presented proposals for:
 - a) improving the IFRS Taxonomy elements to tag useful lives and depreciation or amortisation rates (paragraphs 3–5);
 - b) improving the IFRS Taxonomy elements for tagging contingent consideration and indemnification assets in business combinations (paragraphs 6–7); and
 - c) editorial changes to reflect the revised *Conceptual Framework for Financial Reporting* (paragraph 8).

Useful lives and depreciation or amortisation rates

3. The staff presented a proposal to add separate elements to tag useful lives and amortisation or depreciation rates. Specifically, the staff propose to:
 - a) add elements using the ‘percentage’ item type for amortisation or depreciation rates;
 - b) add elements using three different item types for useful lives—‘duration’, ‘decimal’, and ‘text’—to reflect the different ways in which useful lives can be reported; and
 - c) deprecate the existing elements for useful lives and depreciation or amortisation rates.
4. ITCG members provided the following comments:
 - a) two ITCG members expressed concerns about adding elements using the ‘text’ item type for useful lives because preparers might use the ‘text’ elements inappropriately to tag quantitative disclosures of useful lives. One of these members added that they had observed this practice in their jurisdiction. The staff responded that elements using the ‘text’ item type are needed because preparers can fulfil the applicable disclosure requirement with a textual description.
 - b) two ITCG members suggested including additional guidance in implementation notes to clarify when the ‘text’ elements for useful lives should be used. Such guidance would specify that the ‘text’ elements should only be used when the disclosure is provided in a text format and should not be used when the disclosure is quantified. The staff suggested

the same guidance may apply to other elements in the IFRS Taxonomy; and that therefore, this issue should be addressed more comprehensively.

5. No ITCG members expressed disagreement with the proposals on useful lives and depreciation or amortisation rates.

Contingent consideration and indemnification assets in business combinations

6. The staff presented a proposal to split the IFRS Taxonomy element 'contingent consideration arrangements and indemnification assets recognised as of acquisition date' into two separate elements. No ITCG members expressed disagreement with this proposal.
7. The staff presented a revised proposal to omit the example of a liability for contingent consideration in paragraph B64(f)(iii) of IFRS 3 *Business Combinations* from the IFRS Taxonomy presentation and calculation linkbase. In the staff's view, reflecting this example has the potential to cause confusion because it does not fit logically in the calculation relationship. In addition, the staff noted that the IFRS Taxonomy presentation and calculation linkbases should be considered as examples only. Entities should create their own linkbases that reflect information provided in their financial statements. No ITCG members expressed disagreement with this proposal.

Editorial changes to reflect the revised Conceptual Framework for Financial Reporting

8. The staff presented a proposal to update the definitions and cross-references of some IFRS Taxonomy elements to reflect the revised *Conceptual Framework for Financial Reporting* issued in March 2018. The staff noted that although these are editorial changes usually not subject to public consultation, the changes will be included in the Proposed IFRS Taxonomy Update. No ITCG members expressed disagreement with this proposal.

Update on other IFRS Taxonomy activities

9. The staff announced that the IFRS Taxonomy 2018, including all supporting materials, will soon be published in Spanish. One ITCG member enquired about the arrangements between the IFRS Foundation and the European Union on the translation of the IFRS Taxonomy into Spanish. The staff described the arrangements that are in place.
10. The staff emphasised that the IFRS Taxonomy 2018—Proposed Update 1 *Common Practice (IFRS 13 Fair Value Measurement)* issued in September 2018 discusses both accounting issues and taxonomy issues. The staff therefore welcomes feedback from constituents with a knowledge of accounting as well as those with a knowledge of the IFRS Taxonomy. The staff asked ITCG members to provide ideas to further raise awareness and encourage constituents to provide feedback on the proposals.