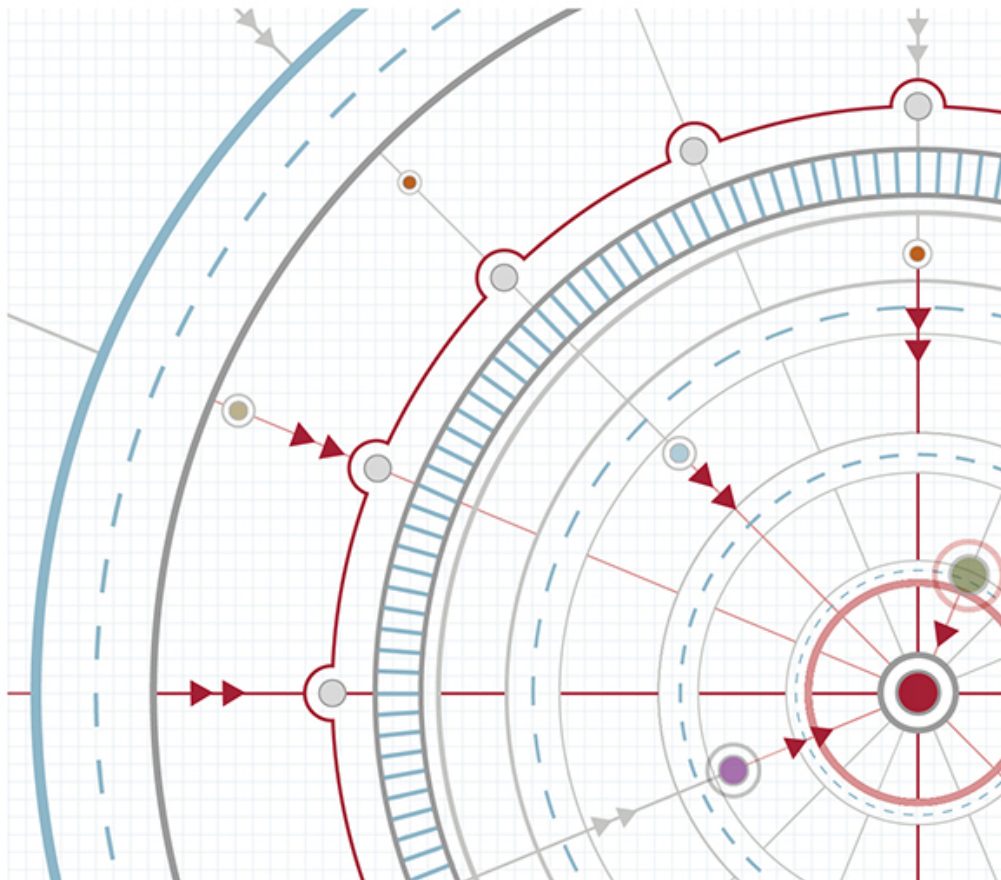IFRS® Foundation

Implementation Notes- Technical solution

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Aims of this agenda topic

The ITCG discussed implementation notes at its June 2017 and April 2018 meetings. Before proceeding with the proposal, the staff are seeking further views from the ITCG on the following:

1. the best technical syntax to use (focus of today's call)

2. implementation content to be included for specific IFRS Taxonomy elements (to be discussed at the October call)

Option 1 ─ use of reference linkbase without translations

The ITCG discussed the technical syntax at its June 2017 meeting. At that meeting, you agreed with the staff proposal to use the reference linkbase for implementation notes (option 1). For example:

Reference		taxonomy-implementation-note (*)
ifrs-in-part:PositiveValue	true	
ifrs-in-part:Note	A positive XBRL value must be entered for this element. Please note however that the use of ...	

A positive XBRL value must be entered for this element. Please note however that the use of an element with certain IFRS Taxonomy members can reverse the signs to be reported. This is described in further detail within the Preparer's Guide.

Computers can read that this implementation note relates to positive and negative values and that a positive value is expected for this element

Custom reference roles

Human-readable text in English

Option 1— advantages and disadvantages

This option has multiple advantages, however the staff did not consider translations of implementation notes:

1. Already in use within the market: impact on tools expected to be minimal

2. Permits structuring of the implementation notes into different types

3. Computer readable: supporting ease of use within tagging tools, for example ability to filter by implementation type

1. Some jurisdictions may not be able to (or not be able to fully) leverage the benefits of implementation notes due to the unavailability of translations

2. Use of custom reference roles: tool changes may be required

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What is the issue?

- Translations of IFRS Taxonomy content (including human-readable implementation notes) is important
  - translations support consistent adoption and application of the IFRS Taxonomy

- The staff understands that there is no guidance on best practice for translation of element references
  - best practice guidance is to use the 'xml:lang' attribute for element labels
  - XBRL software may not handle a similar attribute for element references

Staff analysis ─ options to support translations

The staff has identified two options that can support translations of implementation notes:

- Use of element label instead of reference linkbase (option 2, see slides 7-8)

- Use of 'xml:lang' attribute in reference linkbase (option 3, see slides 9-10)

Option 2 — Use of element label

Using an XBRL label role: 'http://www.xbrl.org/2003/role#commentaryGuidance'

For example: .

Label Link		
◇ http://www.xbrl.org/2003/role/link		
Depreciation, property, plant and equipment	en	label
Depreciation, property, plant and equipment	en	negatedLabel (*)
The amount of depreciation of property, plant and equipment. [Refer: De	en	documentation
A positive XBRL value must be entered for this element. Please note how	en	commentaryGuidance

name	ifrs-full:DepreciationPropertyPlantAndEquipment
label	A positive XBRL value must be entered for this element. Please note however that the use of an element with certain IFRS Taxonomy members can reverse the signs to be reported. This is described in further detail within the Preparer's Guide.
lang.	en
arcrole	http://www.xbrl.org/2003/arcrole/concept-label
role	http://www.xbrl.org/2003/role/commentaryGuidance

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Option 2 — advantages and disadvantages

1. The 'commentary guidance' label role is defined by XBRL International Inc.

2. Supports translations (in the same way as support is available for element labels)

3. No changes to existing XBRL software

1. Does not permit structuring of the implementation notes into different types

2. The lack of additional structure makes it more difficult to filter/search the information

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Option 3 ─ Translation attribute in reference linkbase

- **Include language information** to the implementation notes within the **reference linkbase.**

- **How?** Similar to XBRL element labels by inserting the 'xml:lang' attribute.

For example:

```
<link:referenceLink xlink:role="http://www.xbrl.org/2003/role/link" xlink:type="extended">
  <link:reference xlink:label="res_1" xlink:role="http://xbrl.ifrs.org/role/ifrs/taxonomy-implementation-note" xlink:type="resource">
    <ifrs-in-part:Note xml:lang="en-GB">A positive XBRL value must be entered for this element.
Please note however that the use of an element with certain IFRS Taxonomy members can reverse the signs to be reported.
This is described in further detail within the Preparer's Guide. </ifrs-in-part:Note>
  </link:reference>
```

Attribute to specify the language used

Custom reference roles

Option 3 — advantages and disadvantages

1. The attribute is defined in XML 1.0 Standard, approved by World Wide Web Consortium.

2. Permits structuring of the implementation notes into different types

3. Computer readable: supporting ease of use within tagging tools, for example ability to filter by implementation type.

4. Supports translation of Implementation Notes in other languages.

1. Potential impact on software tools due to current lack of language support for element references.

2. Use of custom reference roles.

Staff Proposal

- The staff prefers option 3 as it combines the advantages of options 1 and 2 to preparers and other users of the IFRS Taxonomy:
  - Supports translations of implementation content
  - Permits use of additional types for IFRS implementation notes in a structured way

- However, it is a new solution that has not yet been used in the market and therefore requires changes to existing software tools. The staff will seek feedback on the potential impact of these changes during public consultation.

Questions

- Do you agree with the staff analysis of Options 1-3?

- Are there any alternative options you think we should consider?

- Do you agree with the staff proposal (Option 3)? If no, what option do you prefer?

- In your view, what is the potential impact of option 3 on XBRL software tools? Do you rate these as high / medium / low?

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