

General improvements to the 2018 IFRS Taxonomy

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- The staff **has started work on the Proposed IFRS Taxonomy update—2018 general improvements**
 - Slide 3 provides a list of the possible improvements
 - Target release date is the end of November 2018
- We discussed some proposals at our April 2018 meeting. In this call and the October call, we will **seek your views on the other changes we are considering.**

Changes being considered

Use of the duration item type

slides 5–16 (for discussion today)

Simplification of entry points

slide 18 (reminder, discussed at April meeting)

New presentation group for axes
and members

slide 20 (reminder, discussed at April meeting)

Correction: new elements

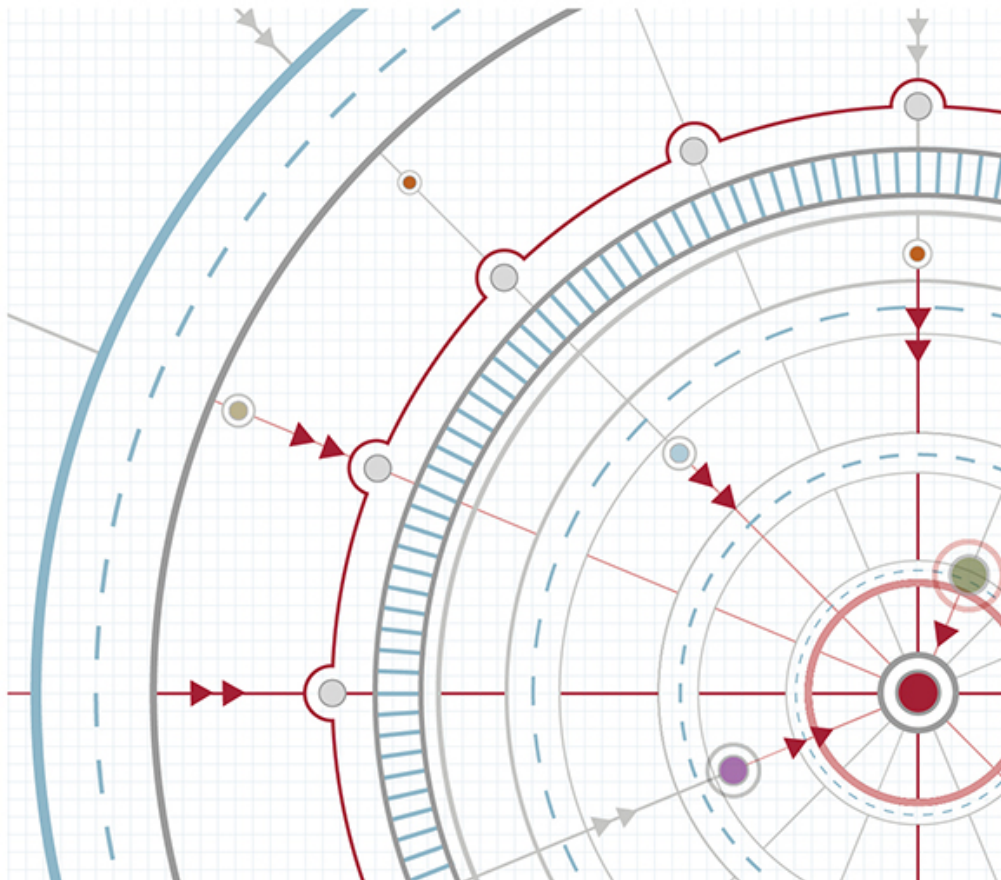
to be discussed in October

Useful lives and
amortisation/depreciation rates

to be discussed in October

Editorial changes

to be discussed in October



Use of the duration item type

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Background—what is the issue?

- The IFRS Taxonomy **currently uses the decimal item type** for elements that represent a **period of time**, for example, years or months
 - Slide 6 provides a list of these elements
- We **have received queries** on:
 - why the IFRS Taxonomy does not use a **duration item type** for time elements
 - whether the use of the decimal item type implies that existing elements cannot be used for a value expressed in years or months (does it require the creation of extension elements?)

Decimal item type elements that express a period of time

Element standard label

Remaining amortisation period of intangible assets material to entity

Remaining recovery period of regulatory deferral account debit balances

Remaining reversal period of regulatory deferral account credit balances

Weighted average duration of defined benefit obligation

Weighted average remaining contractual life of outstanding share options

Actuarial assumption of life expectancy after retirement

Actuarial assumption of retirement age

These elements have a **period attribute of 'instant'** indicating their values are reported at a point in time—normally at the financial reporting end date

Analysis—use of decimal item type

A sampling of filings using the elements listed on Slide 6 highlighted the **advantages and disadvantages** of the decimal item type



Aligned with the presentation format

- a period of time is commonly presented in decimal units in a report, for example, 3.7 years

Reduced ease in using tagged data

- diversity in units used (see Slide 8)
- some extensions with use of ‘duration’ item type

Empirical analysis—diversity in units used

XBRL specifications require a preparer to identify the unit of measurement for a numeric item type. The **decimal item type is a numeric item type that provides flexibility** on the unit preparers can use.

Our empirical findings highlighted **diversity in units** used by preparers of XBRL filings (see slide 9).

Findings from the empirical analysis

Multiple units are used for the same period

- for example:
 - Y, years, year
 - M, months

Units used are not always sufficiently clear

- for example, use of the 'pure' unit for both months and years

A decimal item type reduces the ease of using the tagged data

The staff identified two options to support consistent use of units

- Option 1—**retain decimal item type** and use element labels and implementation notes to **specify a standard data format** (see slide 11)
- Option 2—**change item type to duration** and **use the global ISO standard for data format** (see slides 12–13)

Option 1—retain decimal item type

- Retain ‘decimal’ item type to align with common presentation in reports
- Use element **labels and implementation notes** to define the standard data format for values

	Current	Staff proposal
Standard label	remaining amortisation period of intangible assets material to entity	remaining amortisation period <u>in years</u> of intangible assets material to entity
Implementation note	not available	<u>Convert any months or days to a decimal figure representing years</u>

Option 2—use duration item type

The duration item type requires values to be expressed **as a text string in a standard data format** (ISO 8601 standard)

- a reported decimal value of 3.7 years will be expressed as **P3Y8M15D**
 - P**= Period
 - 3Y**= 3 years
 - 8M**= 8 months
 - 15D**= 15 days

Option 2—use duration item type

- Duration item type requires the use of the duration period type
- Changing the item type and period type **requires deprecating*** the **existing elements** (refer to slide 6) and creating new elements.
- Deprecation
 - is a default policy for any change in the IFRS Taxonomy element base properties
 - reduces issues with comparing values of an element across different reporting periods

*Deprecation does not remove element from the IFRS Taxonomy but discourages use of specific elements by moving to a separate entry point for deprecated elements

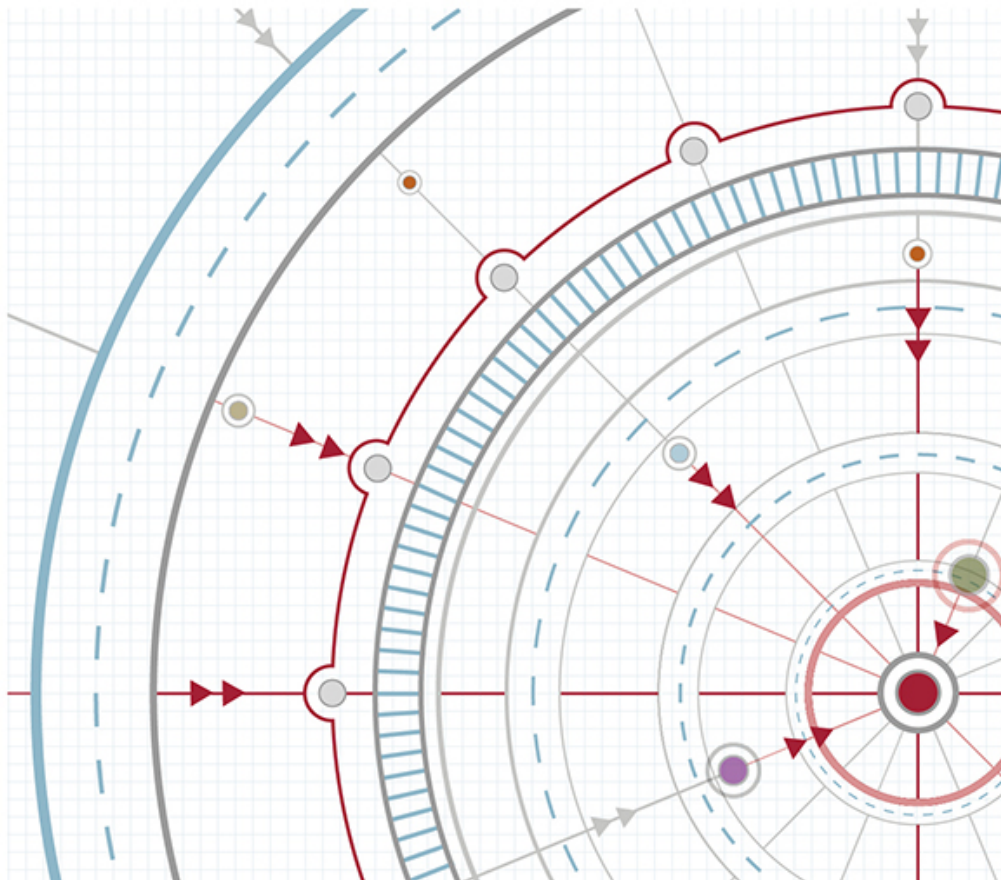
Staff proposal

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	Current policy	Staff proposal
	Option 1—retain ‘decimal’ item type	Option 2—change item type to ‘duration’
Benefits to users	<ul style="list-style-type: none"> • improved consistency • custom standard 	<ul style="list-style-type: none"> • improved consistency • adheres to period-related global data standard
Report presentation alignment	usually aligned—time periods are often presented in decimal format and XBRL values reflect that	not aligned—the presented decimal values are converted
Cost to preparers	will have to convert some data into a standard decimal format	<ul style="list-style-type: none"> • required to convert most data into a standard format • required to retag the data as existing elements will be deprecated

- The staff prefers **Option 2** because this option uses a globally agreed standard to format values representing a period of time.
- The staff also considered that
 - a user can still view the presented values using Inline XBRL
 - the cost of conversion to preparers is likely to be minimal as software tools can automatically convert decimal values into the standard ISO format

1. Do you agree with the staff proposal to change the item type for 'period of time' elements from 'decimal' to 'duration'? (Option 2 on slide 15)
2. Should the staff consider another option?

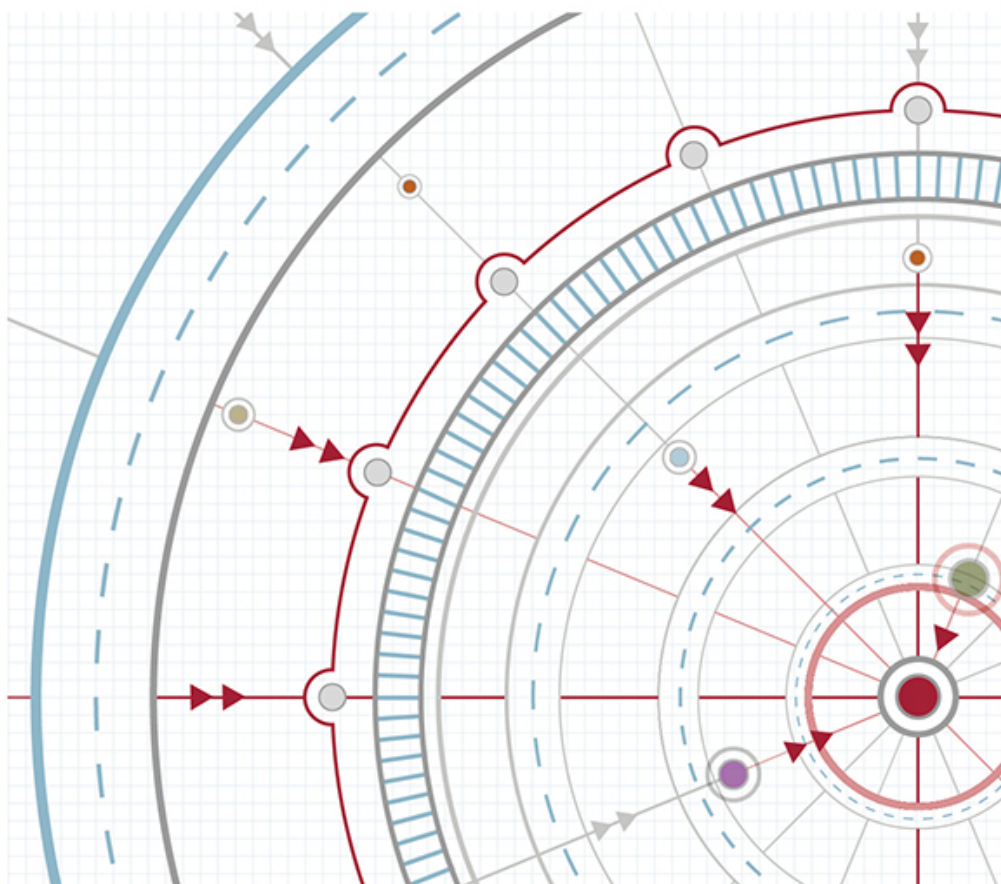


Simplification of entry points

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Simplify	Translate
<ul style="list-style-type: none">• delete entry points that do not include documentation labels<ul style="list-style-type: none">— deletion encourages the global use of documentation labels— documentation labeling supports consistent tagging and use of the IFRS Taxonomy	<ul style="list-style-type: none">• add the English documentation labels to the translated versions of the IFRS Taxonomy<ul style="list-style-type: none">— documentation labels are currently not translated— we do not include the labels within the translated versions of the IFRS Taxonomy

For more detail, please refer to Agenda Paper 3 of the April 2018 meeting

















New presentation groups for axes and members

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New presentation group: summary

- Creation of **new presentation group** that lists all available IFRS Taxonomy axes and their default members.
- Aim is to make it easier for users to find and understand whether a particular axis is available within the IFRS Taxonomy.
- It will mirror the content of the definition linkbase group '[990000] Axis – Defaults'.

 [990000] Axis - Defaults	
  Accounting estimates [axis]	
  Actuarial assumptions [axis]	
  Agricultural produce by group [axis]	
  Amounts arising from insurance contracts [axis]	
  Arrangements involving legal form of lease [axis]	
  Assets and liabilities [axis]	
 Assets and liabilities [member]	dimension-default...

For more detail, please refer to Agenda Paper 4B of the April meeting

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