

Agenda paper 25  
IASB meeting, July 2021

IFRS® Foundation

# Board update: Proposed IFRS Taxonomy Update 2021/1

Vivek Baid  
vbaid@ifrs.org

# Background

---

- The Board published the Proposed IFRS Taxonomy Update *Disclosure of Accounting Policies* and *Definition of Accounting Estimates* on 21 April 2021. The 60-day **comment letter period closed on 21 June 2021**.
- The Proposed IFRS Taxonomy Update (PTU) included proposals for changes in the IFRS Taxonomy to reflect these amendments to the IFRS Standards:
  - *Disclosure of Accounting Policies* (Amendments to IAS 1 and IFRS Practice Statement 2) issued on 12 February 2021; and
  - *Definition of Accounting Estimates* (Amendments to IAS 8) issued on 12 February 2021.
- The PTU was also **reviewed by the members of the IFRS Taxonomy Consultative Group** (ITCG) before its publication.

# Summary of proposals in the PTU

IFRS amendments	Key proposals for change in the IFRS Taxonomy
<b>Disclosure of Accounting Policies</b>	
Requirement to disclose material accounting policy information instead of significant accounting policies	Existing taxonomy element 'Disclosure of significant accounting policies' to be replaced with a new taxonomy element 'Disclosure of material accounting policy information'.
Deletion of paragraphs 117(a) and 117(b) of IAS 1	<ol style="list-style-type: none"> <li>1. Taxonomy elements reflecting these requirement to be removed.</li> <li>2. Reference of some taxonomy elements to be changed from paragraph 117(b) of IAS 1 to paragraph 117 of IAS 1</li> </ol>
Requirement to disclose the fact of early application of the amendments	New taxonomy element to be added to enable the tagging of disclosure of the fact of early application of these amendments.
Consequential amendment to IFRS 7 regarding measurement bases for financial instruments being material accounting policy information	New taxonomy element to be added to enable the tagging of measurement bases for financial instruments used in preparing financial statements.
<b>Definition of Accounting Estimates</b>	
Introduction of definition of the term 'Accounting estimates' in the IAS 8	Documentation label of taxonomy element 'Accounting estimates' to be changed.

# Comments and next steps

---

- We received 5 comment letters\* from stakeholders in Asia, Africa and International.
- There are no significant concerns raised about the proposals in the Proposed IFRS Taxonomy Update.
- However, there is one comment seeking more clarification regarding a specific proposal in the PTU.
- The IFRS Taxonomy Update will be balloted with:
  - some more explanation added; and
  - **no changes to our proposals.**
- We plan to issue the final IFRS Taxonomy Update along with the final taxonomy files **in Q4 2021.**

\*All the comment letters are available [here](#).

# Find us online

---



[www.ifrs.org](http://www.ifrs.org)



IFRS Foundation | International Accounting Standards Board



@IFRSFoundation



IFRS Foundation



IFRS Foundation

Join our team: [go.ifrs.org/careers](http://go.ifrs.org/careers)