Board update: Proposed IFRS Taxonomy Update 2021/1

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Background


- 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

<table>
<thead>
<tr>
<th>IFRS amendments</th>
<th>Key proposals for change in the IFRS Taxonomy</th>
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<tbody>
<tr>
<td><strong>Disclosure of Accounting Policies</strong></td>
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<tr>
<td>Requirement to disclose material accounting policy information instead of significant accounting policies</td>
<td>Existing taxonomy element ‘Disclosure of significant accounting policies’ to be replaced with a new taxonomy element ‘Disclosure of material accounting policy information’.</td>
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<tr>
<td>Deletion of paragraphs 117(a) and 117(b) of IAS 1</td>
<td>1. Taxonomy elements reflecting these requirement to be removed. 2. Reference of some taxonomy elements to be changed from paragraph 117(b) of IAS 1 to paragraph 117 of IAS 1</td>
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<td>Requirement to disclose the fact of early application of the amendments</td>
<td>New taxonomy element to be added to enable the tagging of disclosure of the fact of early application of these amendments.</td>
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<tr>
<td>Consequential amendment to IFRS 7 regarding measurement bases for financial instruments being material accounting policy information</td>
<td>New taxonomy element to be added to enable the tagging of measurement bases for financial instruments used in preparing financial statements.</td>
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<td><strong>Definition of Accounting Estimates</strong></td>
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<td>Introduction of definition of the term ‘Accounting estimates’ in the IAS 8</td>
<td>Documentation label of taxonomy element ‘Accounting estimates’ to be changed.</td>
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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.
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