

The IFRS Taxonomy Consultative Group (ITCG) met in the IFRS Foundation’s London office on 1 February 2024 (the majority of members attended remotely).

This note, prepared by the Foundation staff, summarises the discussions. Related papers and recordings of the meeting are available on the [meeting page](#).

ITCG members discussed:

- IFRS Accounting Taxonomy 2023 Proposed Update 2—*Common Practice for Financial Instruments, General Improvements and Technology Update* feedback (paragraphs 1–3);
- IFRS Accounting Taxonomy Update 2024—*Common Practice and General Improvements* seeking feedback on proposed topics (paragraphs 4–5);
- IFRS Accounting Taxonomy 2024 Proposed Update 1—*IFRS 18 Presentation and Disclosure in Financial Statements* feedback (paragraphs 6–9);
- evaluating the IFRS Taxonomy formula linkbase (paragraphs 10–12);
- updating the IFRS Digital Taxonomies regulator’s guide (paragraphs 13–15);
- UK Financial Reporting Council (FRC) investor use of digital reports in eXtensible Business Reporting Language (XBRL) survey results (paragraph 16); and
- IFRS Sustainability Disclosure Taxonomy—changes resulting from stakeholder feedback (paragraph 17).

IFRS Accounting Taxonomy 2023 Proposed Update 2—Common Practice for Financial Instruments, General Improvements and Technology Update: feedback

- 1 The staff presented a summary of the feedback and their proposed responses. They also outlined the next steps for finalising the Taxonomy Update.
- 2 ITCG members questioned the reason for not having two separate elements to capture different measurement methods for investment property. The members also emphasised the importance of using links to communicate how pieces of information are connected.
- 3 One ITCG member raised concerns about the use of an ‘other’ element to describe the presentation of other financial assets and the related potential lack of comparability and risk of misclassification.
- 4 Some ITCG members raised concerns about the guidance labels for the categorical elements and suggested either rephrasing the sentence or providing clearer guidance.
- 5 The staff explained the basis for the approach to using a single element for measurement of investment property and said they will clarify guidance labels for categorical elements.

IFRS Accounting Taxonomy Update 2024—Common Practice and General Improvements: seeking feedback on proposed topics

- 6 ITCG members suggested that analysis of the financial instruments note disclosures subtopic relating to risk management would be particularly useful because these disclosures are important. ITCG members recommended areas for common practice review, including IFRS 17

Insurance Contracts. Members also recommended that the staff use the European Securities and Markets Authority (ESMA) anchoring mechanism to identify potential common practice review topics. Some members suggested discussing the hierarchy of narrative elements directly with ESMA as part of the IASB's review of the European Single Electronic Format guidance.

IFRS Accounting Taxonomy 2024 Proposed Update 1—IFRS 18 Presentation and Disclosure in Financial Statements feedback

- 7 ITCG members urged the IASB to test the proposed modelling during the consultation period (for example, with fieldwork participants), specifically where:
 - (a) the proposed modelling is different to the current modelling approach (such as, for the disclosure of specified expenses by nature); or
 - (b) the proposed modelling is complex (such as, for the disclosure of management-defined performance measures).
- 8 ITCG members said that the proposed taxonomy update should come with tagged examples illustrating the proposed modelling and with sample instance documents. ITCG members also suggested a webinar on the proposed modelling.
- 9 ITCG members asked specific questions regarding the IASB's approach to creating line-item elements for items of income or expenses presented in the statement of profit or loss that could be presented in more than one category for a single entity or in different categories for different entities. They emphasised the importance of having consistency with the requirements in the prospective IFRS 18.

Evaluating the IFRS Taxonomy formula linkbase

- 10 Some ITCG members suggested that the cost of updating the formula linkbase for minor changes in the Taxonomy would outweigh the benefits and therefore annual updates may not be necessary. Some ITCG members acknowledged that updating the formula linkbase is resource intensive but emphasised that not updating it could hurt data quality in jurisdictions where it is used.
- 11 Members also discussed whether it would be enough to provide formula business rules only in a spreadsheet format. Some ITCG members highlighted the potential challenges with this approach. They expressed concerns that it could lead to data quality issues due to variations in implementation on various software platforms. Some ITCG members recommended considering other solutions to improve the process. For example, they suggested the possibility of migrating to a text based XBRL Formula, also known as 'XF'.

Updating the IFRS Digital Taxonomies regulator's guide

- 12 ITCG members agreed with plans to update the regulator's guide regularly. ITCG members also suggested that the language in the guide remain simple since the individuals using the guide might not have extensive experience with digital taxonomies.
- 13 Some ITCG members suggested including guidance on the role of auditors, how to improve the quality of digital financial reports and the benefits of adopting digital financial reporting in the forthcoming digital financial reporting article or in the updated regulator's guide. Members also encouraged the IASB to outline alternative options for implementation and the use of practical examples was also encouraged.

UK FRC investor use of digital reports in XBRL survey results

- 14 Staff from the UK's FRC Lab presented the findings of the recently commissioned survey of 160 investment professionals about their use of digital reports in XBRL format.

IFRS Sustainability Disclosure Taxonomy—changes resulting from stakeholder feedback

- 15 ITCG members generally agreed with the updated draft of the IFRS Sustainability Disclosure Taxonomy. Some ITCG members emphasised the importance of the ISSB starting to monitor and support the implementation of the IFRS Sustainability Disclosure Taxonomy soon after issuing it.