

The IFRS Taxonomy Consultative Group (ITCG) met in the IFRS Foundation's London office on 2 July 2024 (most members attended virtually).

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

ITCG members discussed:

- the staff's review of the IFRS Taxonomy due process and an update on the proposed taxonomy modelling relating to the Power Purchase Agreements (PPA) project (paragraphs 1–6);
- the forthcoming fieldwork for IFRS Accounting Taxonomy 2024 Proposed Update 1—*IFRS 18* Presentation and Disclosure in Financial Statements (paragraphs 7–9);
- the approach to the IFRS Accounting Taxonomy transition for IFRS 18 and approach to taxonomy entry points including the IFRS for SMEs Accounting Standard entry point (paragraphs 10–18);
- the 2024 US GAAP Meta Model Relationships Taxonomy (paragraph 19);
- an update on the International Accounting Standards Board's (IASB) and International Sustainability Standards Board's (ISSB) digital financial reporting activities (paragraphs 20–26); and
- a briefing on the development and public consultation on the Global Reporting Initiative (GRI) digital taxonomy (paragraph 27).

Review of IFRS Taxonomy due process and update on PPA modelling

1. The staff sought advice from ITCG members on the staff's review of the IFRS Taxonomy due process and presented an update on the proposed taxonomy modelling relating to the IASB's PPA project.

Review of IFRS Taxonomy Due Process

2. ITCG members generally agreed with the staff's recommendation that no changes be made to the IFRS Taxonomy due process at this stage.
3. ITCG members emphasised the importance of balloting and consultation, even for simple updates. A few ITCG members suggested, based on experience, that exposing taxonomy updates concurrently with proposed new or amended standards resulted in improved taxonomy modelling.
4. Other suggestions for possible future improvements included providing digital reporting impact assessment summaries as part of future exposure drafts, undertaking field testing, developing educational materials to help stakeholders better understand proposals, and involving the IFRS Interpretations Committee in common practice reviews.

Update on proposed PPA modelling

5. ITCG members generally agreed with the staff's recommended modelling approach. Some members suggested clarifying some element and documentation labels—for example, to clarify that requirements for disclosing the fair value of contracts are for contracts not measured at fair value through profit or loss, and to clarify the documentation label for the terms and conditions element.

6. Some ITCG members queried about specific element types used for proposed disclosure requirements. The staff explained the use of those element types.

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

7. The staff sought advice from ITCG members regarding the IASB's fieldwork, which asks participants to test the proposed taxonomy modelling for IFRS 18.
8. ITCG members were broadly supportive of the fieldwork design. Some ITCG members:
 - (a) suggested allowing the submission of XML XBRL instance documents for participants that find creating inline XBRL filings challenging and suggested providing a standardised Excel template for participants without tagging systems.
 - (b) emphasised the importance of participants preparing and tagging their own examples (in addition to using the IASB-provided examples) to enhance the IASB's knowledge from the exercise.
9. Some ITCG members expressed a preference for providing users with inline XBRL files, which contain more information than Excel files, including specific metadata. However, members acknowledged that, if inline XBRL files cannot be made available, asking users to analyse Excel data would still provide the IASB with some insights. Some ITCG members agreed with plans to discuss the results of users' analysis of the data in a workshop/roundtable format.

The approach to the IFRS Accounting Taxonomy transition for IFRS 18 and approach to taxonomy entry points including the IFRS for SMEs Accounting Standard entry point

10. The staff sought advice from ITCG members regarding the IASB's approach to the IFRS Accounting Taxonomy transition for IFRS 18 and the approach to taxonomy entry points, including those for the IFRS for SMEs Accounting Standard.

IFRS 18 taxonomy transition approach

11. Most ITCG members agreed with the creation of a distinct entry point for IFRS 18, highlighting that such an entry point would enhance the accuracy of element selection and consequently improve the quality of tagging. Members generally shared a preference for a single taxonomy due to maintenance concerns and other implications for regulators.
12. Some members expressed the view that the creation of a distinct entry point could be superfluous, reasoning that existing software tools are adequately equipped to handle all information being made available.
13. Some members disagreed about whether the decision about entry points should be influenced by the anticipated number of early adopters of the Standard, with some arguing that it should be a consideration and others considering it irrelevant.
14. A few members supported the approach of having 'two separate taxonomies during the transition period' for the ease of identifying different taxonomy elements. There was also a suggestion for further assessment of potential early adoption to make more informed decisions, and that the staff be open to feedback from vendors and issuers.
15. Some members expressed concern about existing practices and suggested that complexities in the IFRS Accounting Taxonomy might be addressed more effectively through software improvements rather than through extensive taxonomy changes.

Entry points

16. An ITCG member noted that entry points for the full IFRS Accounting Standards and the IFRS for SMEs Accounting Standard are the entry points most frequently used by preparers. Members generally agreed with proposals to decouple entry point for the IFRS for SMEs Accounting Standard from the annual IFRS Accounting Taxonomy and to streamline entry points in the annual IFRS Accounting Taxonomy.
17. Members also suggested using a separate entry point for IFRS 19 due to its similarity with the IFRS for SMEs Accounting Standard and its specialised use. A member suggested reviewing the entry point for IFRS 19 some years after the Standard is issued to assess its usefulness.
18. ITCG members discussed past preferences for a basic entry point that does not include generic links, suggesting that these preferences might now be outdated and encouraging verification with current regulators to make informed decisions about the entry points.

2024 US GAAP Meta Model Relationships Taxonomy

19. Staff from the US Financial Accounting Standards Board provided an overview of the 2024 US GAAP Meta Model Relationships Taxonomy and policy election element relationships included within the 2024 US GAAP Reporting Taxonomy.

Update on digital financial reporting activities

20. The staff presented an update on the IASB's and ISSB's digital financial reporting activities.

Update on the IASB's digital financial reporting activities

21. An ITCG member emphasised the importance of considering digital representation of presentation and disclosure requirements when the IASB is drafting IFRS Accounting Standards.
22. The staff were asked about the scope of the IFRS Accounting Taxonomy architecture review and requested an update on the review of the IFRS Accounting Taxonomy formula linkbase.
23. The staff explained the taxonomy file structure and existing entry points are being reviewed as part of the review, along with updating the architecture guide. The staff also noted future updates to the IFRS Accounting Taxonomy formula linkbase are still under consideration.

Update on the ISSB's digital financial reporting activities

24. ITCG members broadly agreed with the ISSB's digital financial reporting priorities.
25. One member said that the timely publication of the IFRS Sustainability Disclosure Taxonomy enables jurisdictions that are in the process of adopting or otherwise using the IFRS Sustainability Disclosure Standards to consider implementing digital reporting of sustainability-related financial disclosures right from the beginning.
26. A few members emphasised the importance of interoperability with the European Sustainability Reporting Standards (ESRS) digital taxonomy, in particular welcoming the concordance initiative proposed by XBRL International and the IFRS Foundation's support of that initiative.

GRI digital taxonomy briefing—Global Sustainability Standards Board

27. Staff of the GRI provided a briefing on the development and public consultation on the GRI Sustainability Taxonomy, which enables companies using the GRI Standards to report in a digital format.