Meeting summary

IFRS Taxonomy Consultative Group

Date	**1 July 2025**
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This document summarises the discussions in a meeting of the IFRS Taxonomy Consultative Group (ITCG), an expert consultative group that advises the International Accounting Standards Board (IASB) and International Sustainability Standards Board (ISSB) on their respective digital taxonomies and related activities. Related papers and recordings of the meeting are available on the <u>meeting page</u>.

Meeting summary

The IFRS Taxonomy Consultative Group (ITCG) met virtually on 1 July 2025.

ITCG members discussed:

- the digital financial reporting work plan (paragraphs 1–3);
- a possible update of the architecture guide (paragraphs 4–6); and
- possible general improvements to narrative elements within the IFRS Accounting Taxonomy (paragraphs 7–10).

Various ITCG members and guests presented on:

- XBRL International's Open Information Model (OIM) Taxonomy (paragraph 11);
- the use of XBRL to enhance AI performance (paragraph 12); and
- the recent annual review of structured digital reporting carried out by the UK Financial Reporting Council (UK FRC) (paragraph 13).

Digital financial reporting work plan (Agenda Paper 1)

1. The staff provided ITCG members with an update on the IFRS Taxonomy work plan. No updates to the IFRS Accounting Taxonomy are expected in 2025. Therefore, as well as asking for members' views on upcoming projects, the staff sought feedback on potential implementation challenges that might arise if the IFRS Foundation does not issue an unchanged IFRS Accounting Taxonomy in March 2026. The staff also highlighted the Foundation's work to integrate taxonomy updates with standard-setting by developing drafting guidance and tools to automate taxonomy modelling.

2. Members had mixed views on whether the Foundation should issue an unchanged IFRS Accounting Taxonomy in March 2026. Some members suggested that the Foundation issue the taxonomy to prevent confusion for regulators and other stakeholders—for example, the lack of a 2026 taxonomy might create challenges for the systems that use it.

3. Some members said it is unnecessary to issue an unchanged taxonomy provided that the Foundation clearly communicates to stakeholders that no IFRS Accounting Taxonomy will be issued in 2026, explaining why it would be unnecessary.

Architecture guide (Agenda Paper 4)

4. To help assess whether to update the IFRS Taxonomy Architecture Guide, the staff sought feedback from ITCG members on:

   (a) the benefits of the guide for the IFRS digital taxonomies; and

   (b) stakeholders' needs and expectations regarding the guide.

5. Members said the guide has several benefits—namely:

   (a) it maintains a consistent architecture for the taxonomy updates;

   (b) it acts as both an internal and a public document to help stakeholders understand the technical structure of IFRS digital taxonomies; and

   (c) it helps to enhance reporting entities' understanding of the style and structure of IFRS digital taxonomies required to create consistent extensions.

6. Members suggested that the guide could be:

   (a) updated to include information about recent structural changes, such as categorical elements;

   (b) made available in a more accessible web format to improve navigation within the guide; and

   (c) updated to take into account any effects resulting from XBRL International's OIM Taxonomy update.

Text elements review (General Improvements) (Agenda Paper 5)

7. The staff presented an update on the research into improving narrative elements within the IFRS Accounting Taxonomy and sought members' feedback on the effect of the proposed approach to improving narrative elements.

8. The proposed improvements included:

   (a) applying the recent focus on narrative elements being 'separately understandable and readily identifiable' to existing elements by removing detailed narrative elements that do not meet that criterion; and

   (b) indicating the intended usage of large text blocks in the taxonomy—that is, indicating whether they are intended to tag a whole note, an accounting policy or a table.

9. Members generally agreed with the proposed approach because it would:

   (a) improve comparability of tagged information by reducing confusion or redundancy between elements;

   (b) retain broader, more general, narrative elements that are more user-friendly than excessively detailed narrative elements; and

   (c) improve the suitability of the taxonomy for both mandatory and voluntary digital tagging of financial information.

10. Some members raised a concern about removing elements that are rarely used currently, but which might be useful in future. They suggested the Foundation consider how these elements are used currently in reporting programmes, including trends in voluntary tagging. Staff and members observed, however, that limited data is available as detailed narrative elements are rarely used. Members offered to share academic research that might provide evidence.

XBRL International's OIM Taxonomy (Agenda Paper 2)

11. John Turner (XBRL International) shared details of the OIM Taxonomy specification work, including some examples to show the simplified representations that are being developed based on OIM progress facilitating AI.

AI and XBRL: How to leverage XBRL with AI (Agenda Paper 3)

12. Marc Houlier (Corporatings) shared insights on how AI performs in relation to sustainability-related disclosures and accounting disclosures with and without XBRL. He also discussed with the members about approaches to improving AI performance.

Annual review of structured digital reporting—UK Financial Reporting Council (UK FRC) (Agenda Paper 6)

13. Thomas Toomse-Smith and Philip Fitz-Gerald (UK FRC) shared findings from the UK FRC's annual review of structured digital reporting including suggestions to improve how UK listed companies present their annual reports.