
IFRS Taxonomy Consultative Group (ITCG) meeting

Date	March 2026
Project	Digital Financial Reporting
Topic	General improvements update – Text elements review
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Purpose of this session

1. *To recap and discuss proposals for categorising text blocks*
2. *To discuss feedback on the early draft proposals*
3. *To discuss the timing and publication of general improvements PTU and next steps*

Questions for ITCG members

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Question 1

Do you agree with, or have any suggestions about, the proposed groupings of notes and policy elements?

Question 2

Do you have any comments regarding the related proposed changes to documentation labels, or other proposals for ways to represent the relationship between related notes/policy elements?

The objective of the narratives project

Why

- Inconsistent application
- More effort required on preparer side to find the most appropriate element

Objective

- Reduce confusion on which narrative element should be used in tagging process
- Improve usability
- Align IFRS Accounting Taxonomy with current policy on narrative elements*

Scope

- A review of the detail of both text block and text elements
- **Including the large-scale structure** of text block elements

* See appendix

What is the problem with large text blocks?

Text block tagging is **inconsistent for the following reasons:**

Text block elements have similar names

- **Confusion between** elements
 - Taxonomy has many text elements with similar names, either because they are for different (structural) purposes, or different variations of disclosure grouping.

Undefined content

- **Confusion about** elements
 - Elements largely derived from **common practice**

Different rules in filing regimes

- **Variety** in approaches between filing systems

Current proposals to solve the problem

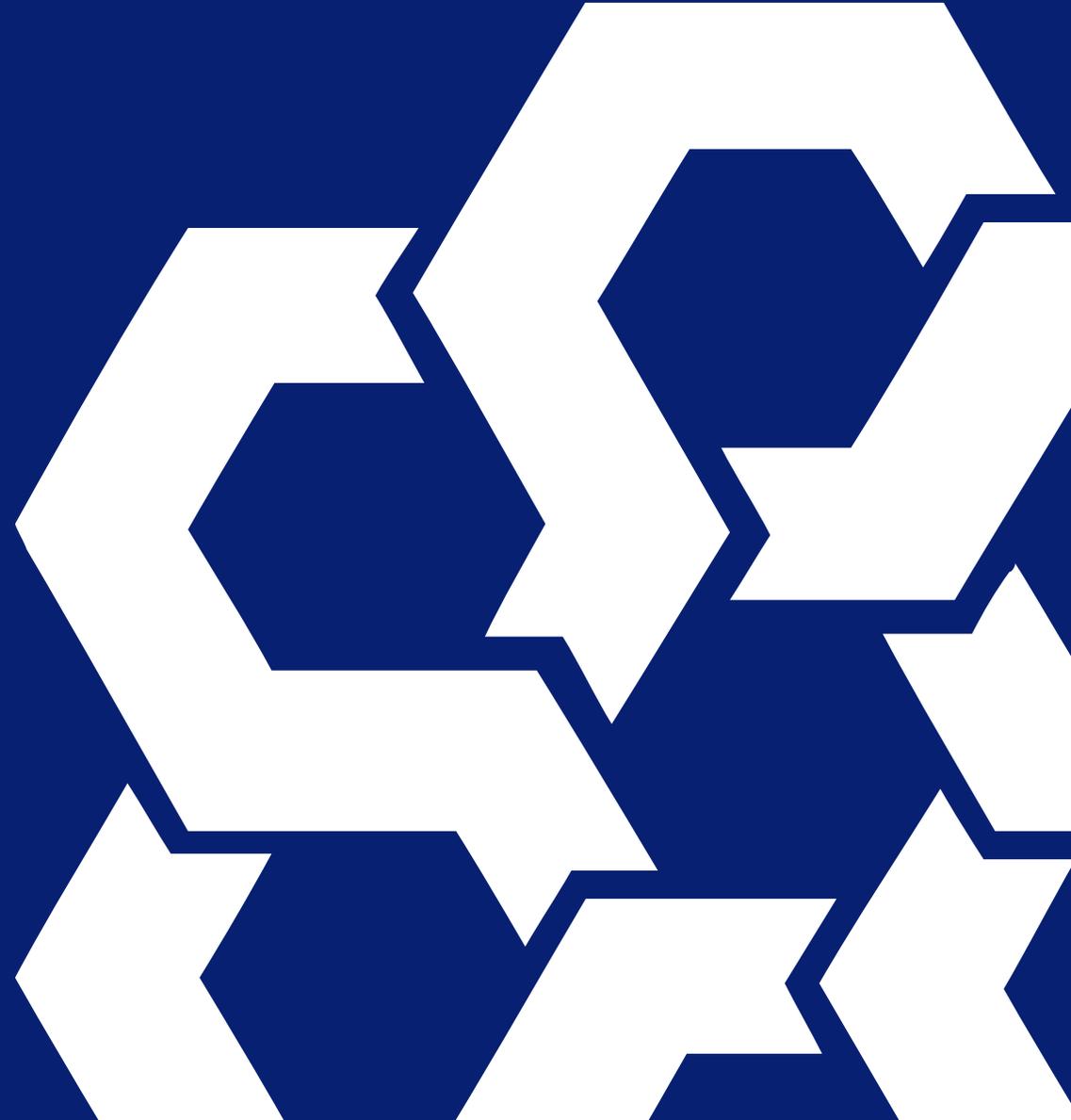
In previous ITCG discussions, the staff recommended the following proposed improvements¹

Clearly identify text blocks as intended as ‘Notes’, ‘Policies’, ‘Tables’, or just general ‘granular’ disclosure.

Indicate relationships between elements that are expected to be mutually exclusive in usage, or to be used only for a comingled disclosure

¹ As discussed in the [March 2025 ITCG meeting Appendix A](#) and the [July 2025 ITCG meeting](#)

Categorisation of Text Blocks



Summary of previous ITCG discussions

Proposals to categorise text blocks were discussed in March and July 2025 ITCG

Members generally supported explicitly identifying text blocks as **Note** text blocks, **Policy** text blocks, **Table** text blocks and **granular** text elements:

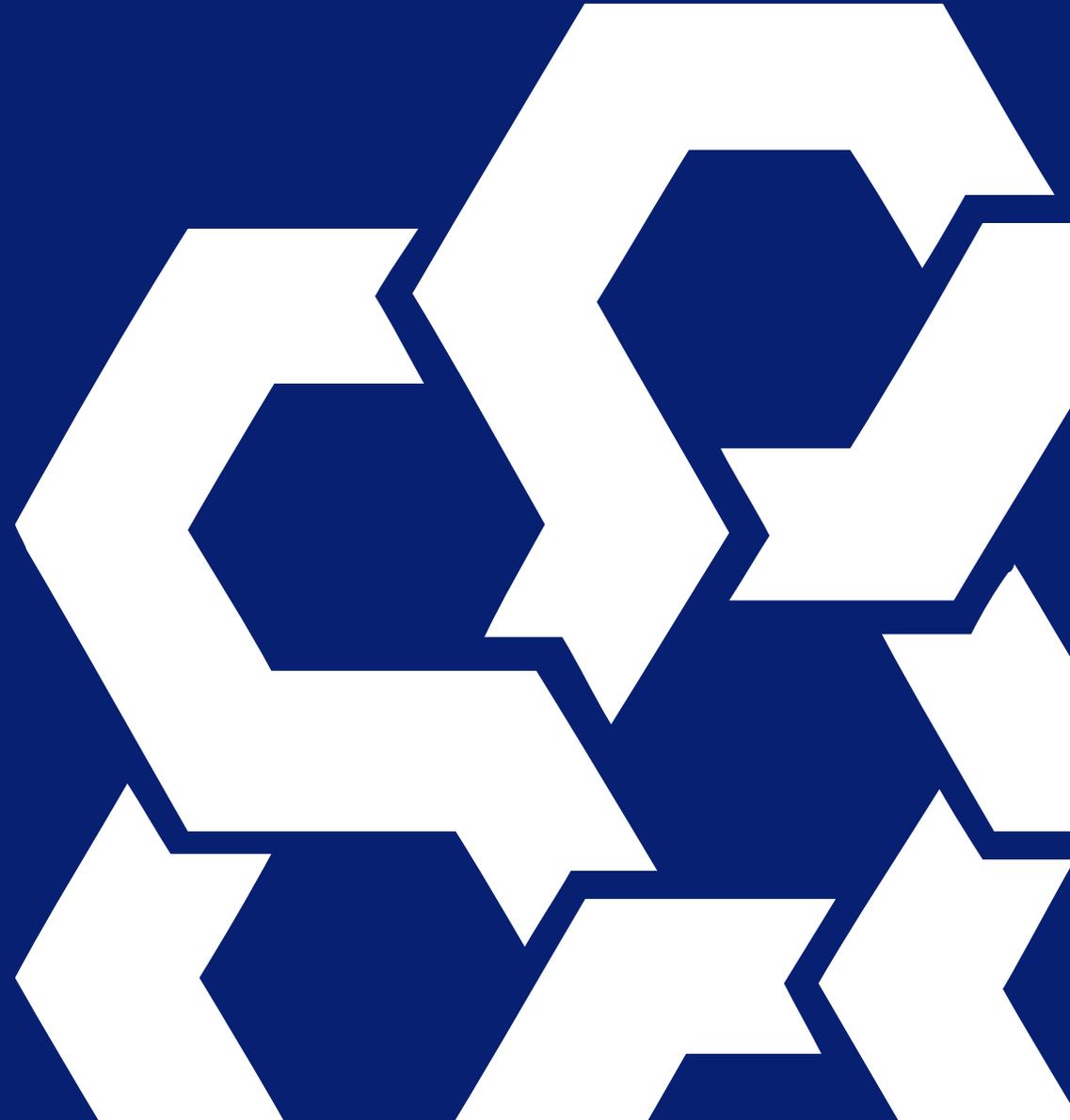
- potential to improve comparability of information, including facilitating data usage by AI.
- more conceptual alignment with the 'levels' used by the US Securities Exchange Commission.
- could facilitate improvements from updated ESMA tagging rules.

Text blocks that currently serve two purposes

- Identified several elements that are currently included in more than one location in the presentation linkbase.
- These elements are used **both** as text block elements that wrap table structures in the presentation linkbase **and** included in the presentation group ‘[800500] Notes - List of notes’ or positioned as top-level elements in other presentation groups.
- Propose to split each into distinct elements, one for each purpose:

Existing elements that serve two purposes	Proposed table element	Addition of note element
Disclosure of contingent liabilities [text block]	Disclosure of contingent liabilities [<u>table text block</u>]	<u>Disclosure of information about contingent liabilities [note text block]</u>
Disclosure of joint ventures [text block]	Disclosure of joint ventures [<u>table text block</u>]	<u>Disclosure of interests in joint ventures [note text block]</u>
Disclosure of objectives, policies and processes for managing capital [text block]	Disclosure of objectives, policies and processes for managing capital [<u>table text block</u>]	<u>Disclosure of capital management [note text block]</u>
Disclosure of reserves within equity [text block]	Disclosure of reserves within equity [<u>table text block</u>]	<u>Disclosure of equity reserves [note text block]</u>

Grouping of note and policy elements



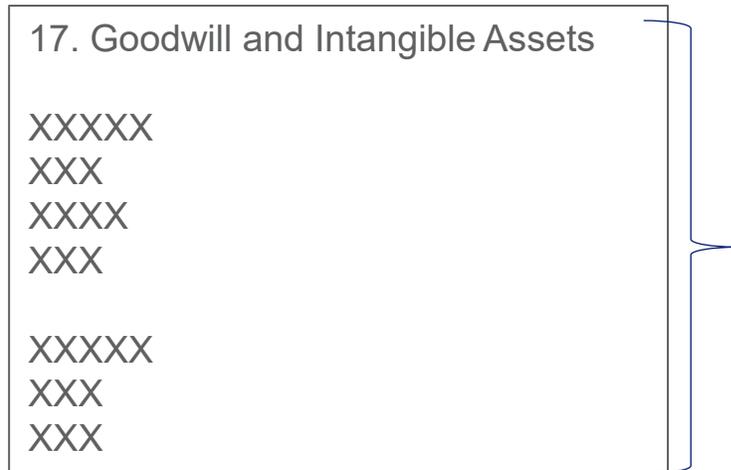
Disclosure layout differs between preparers

Reporting practice varies by preparer. Some preparers will aggregate related disclosures within a single note or accounting policy disclosure, whereas others will disclose the information in separate locations, depending on the nature and context of the information.

To accommodate these different reporting practices, the IFRS Accounting Taxonomy includes closely related text block elements that allow note disclosures and accounting policy disclosures to be tagged at different levels of detail.

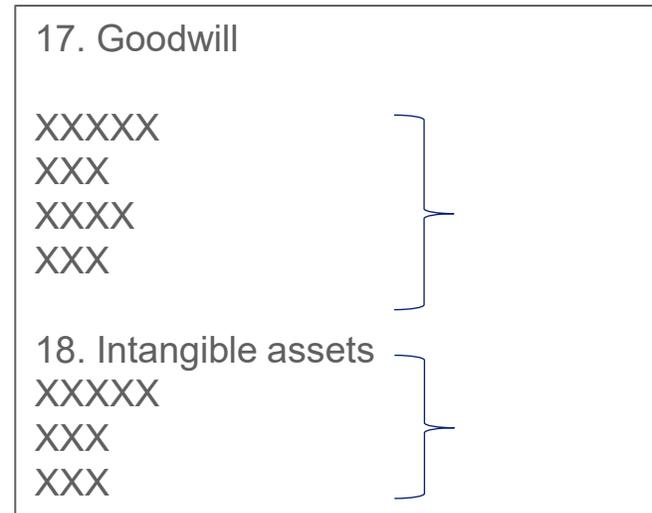
Example of disclosure permutations

Combined note



✓	Disclosure of intangible assets and goodwill [note text block]
×	Disclosure of intangible assets [note text block]
×	Disclosure of goodwill [note text block]

Separate notes



×	Disclosure of intangible assets and goodwill [note text block]
✓	Disclosure of intangible assets [note text block]
✓	Disclosure of goodwill [note text block]

Problem and current proposal

Problem

The current taxonomy does not reflect the relationships between broader note/policy elements and more specific elements.

Closely related text block elements are often positioned at the same hierarchical level in the presentation linkbase.

This makes it **difficult for preparers to identify the most appropriate element to use**, and limits users' ability to understand how elements relate each other when retrieving and analysing tagged information.

Proposal

- Improve the presentation linkbase for 'note' and 'policy' text block elements by introducing parent–child relationships between closely related text block elements
 - Helps preparers choose appropriate element
 - Helps users locate all information they need
- Amend the documentation labels of parent and child text block elements to refer to each other (through 'Contrast:' note)
 - Helps this information be available when focussing only on individual elements (text search)

Proposed groupings of note text blocks (1/2)

accrued expenses and other liabilities
other liabilities
other current liabilities
other non-current liabilities
commitments and contingent liabilities
commitments
information about contingent liabilities
contingent liabilities
financial instruments
debt instruments
derivative financial instruments
financial instruments at fair value through profit or loss
financial instruments designated at fair value through profit or loss
financial instruments held for trading
financial liabilities held for trading
financial risk management
general hedge accounting
reclassification of financial instruments
credit risk
liquidity risk
market risk

income tax
deferred taxes
insurance contracts
deferred acquisition costs arising from insurance contracts
investment contracts liabilities
insurance premium revenue
claims and benefits paid
reinsurance
intangible assets and goodwill
goodwill
intangible assets
interest income (expense)
interest expense
interest income

Remove legacy IFRS 4 related element

Split into clearly separate Note and Table elements

Full element names are “disclosure of ... [note text block]”

Proposed groupings of note text blocks (2/2)

interests in other entities
interests in associates
associates
interests in joint arrangements
interests in joint ventures
joint ventures
interests in joint operations
interests in subsidiaries
interests in unconsolidated structured entities
investment entities

non-current assets held for sale and discontinued operations
non-current assets or disposal groups classified as held for sale
discontinued operations

other operating income (expense)
other operating expense
other operating income

prepayments and other assets
other assets
other current assets
other non-current assets

revenue
revenue from contracts with customers

share capital, reserves and other equity interest
equity reserves
reserves within equity

Proposed groupings of policy text blocks

business combinations and goodwill
business combinations

employee benefits
termination benefits

financial instruments
financial assets
financial liabilities
financial guarantees
derecognition of financial instruments
derivative financial instruments and hedging
derivative financial instruments
hedging
financial instruments at fair value through profit or loss
offsetting of financial instruments
reclassification of financial instruments

impairment of assets
impairment of financial assets
impairment of non-financial assets

income tax
deferred income tax

insurance contracts and related assets, liabilities, income and expense
deferred acquisition costs arising from insurance contracts
reinsurance

non-current assets or disposal groups classified as held for sale and discontinued operations
non-current assets or disposal groups classified as held for sale
discontinued operations

intangible assets and goodwill
intangible assets other than goodwill
goodwill

investment in associates and joint ventures
investment in associates
investments in joint ventures

Example of documentation label changes

Element label	Documentation label
Disclosure of intangible assets and goodwill [note text block]	The disclosure of intangible assets and goodwill. [Refer: Intangible assets and goodwill] [Contrast: <u>Disclosure of intangible assets [note text block], Disclosure of goodwill [note text block]</u>].
Disclosure of intangible assets [note text block]	The entire disclosure for intangible assets [Contrast: <u>Disclosure of intangible assets and goodwill [note text block]</u>].
Disclosure of goodwill [note text block]	The disclosure of goodwill. [Refer: Goodwill] [[Contrast: <u>Disclosure of intangible assets and goodwill [note text block]</u>]

Proposed guidance labels for ‘note’ and ‘policy’ text block elements

Guidance label for ‘note’ text block elements

This ‘note’ text block element is intended to be used to tag the disclosure of an entire note to the financial statements. Use the element that best matches the accounting content of a note disclosure, rather than requiring a precise match between the label of the element and the title of the note disclosure.

Guidance label for ‘policy’ text block elements

This ‘policy’ text block element is intended to be used to tag the disclosure of an accounting policy regardless of where it is disclosed in the financial statements. Use the element that best matches the accounting content of an accounting policy, rather than requiring a precise match between the label of the element and the title of the accounting policy disclosure.

Questions

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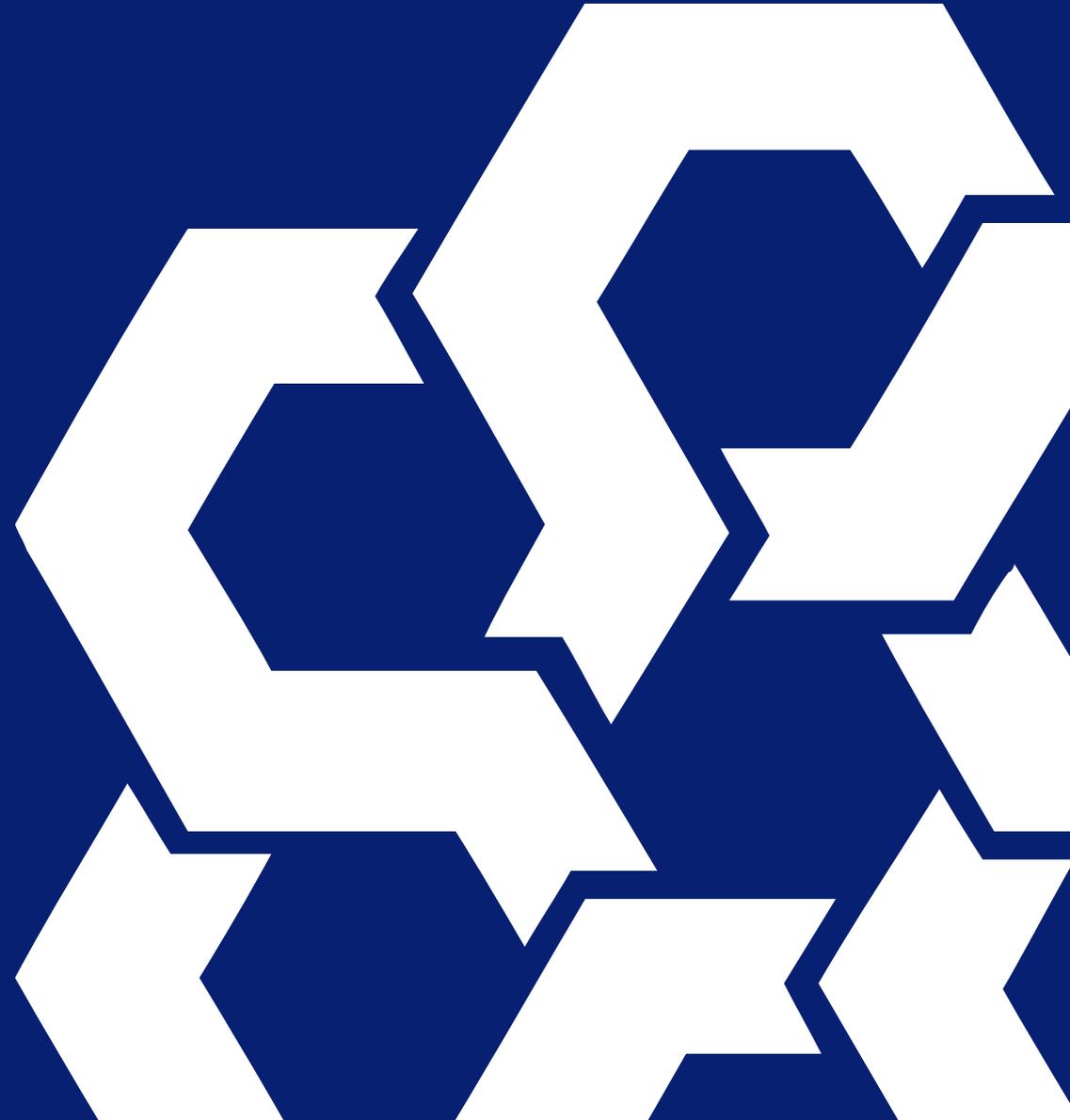
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Feedback on draft proposals



Feedback on draft proposals

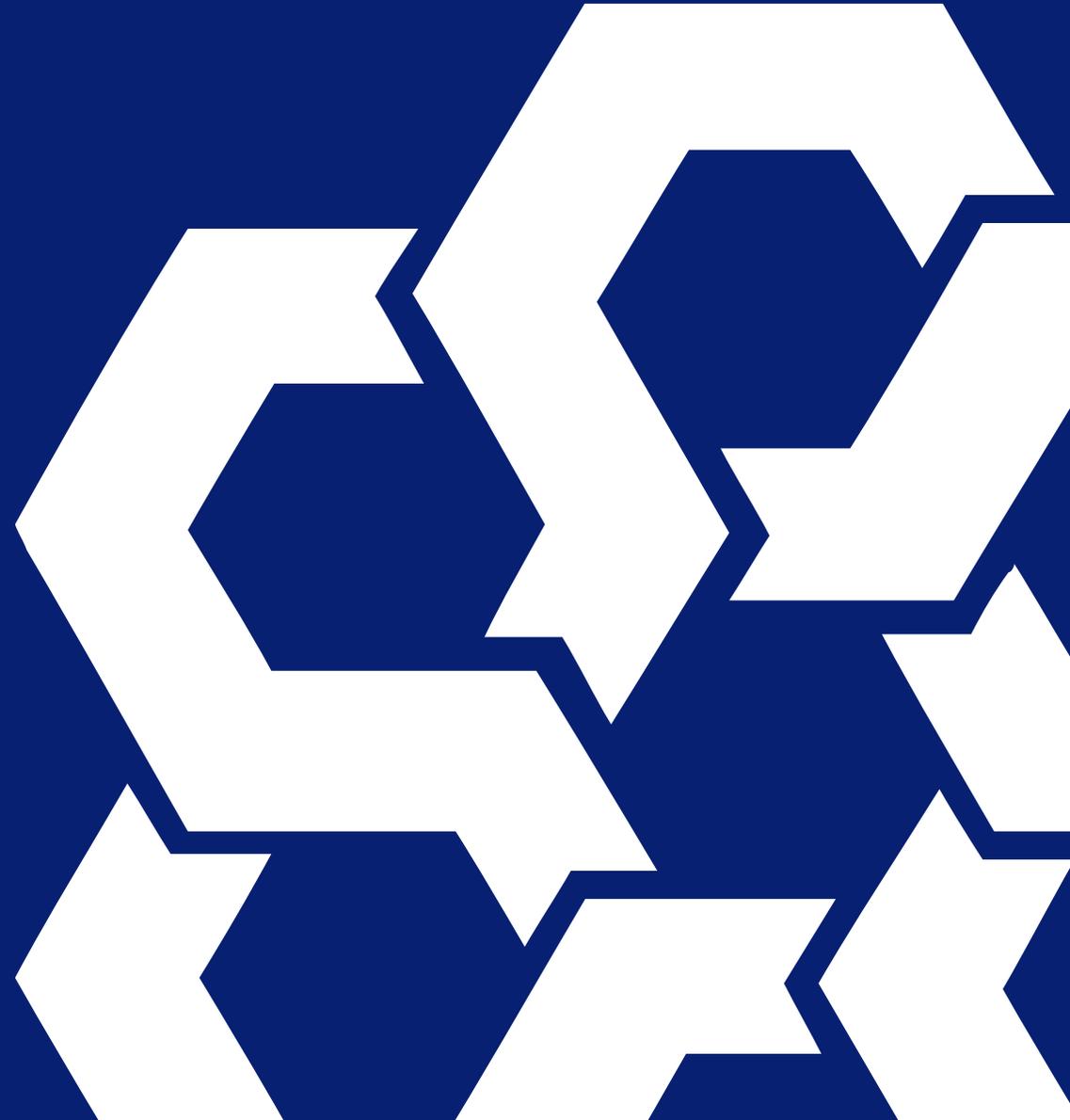
Many thanks for your feedback on our initial draft proposals

We have incorporated many detailed suggestions into our proposals

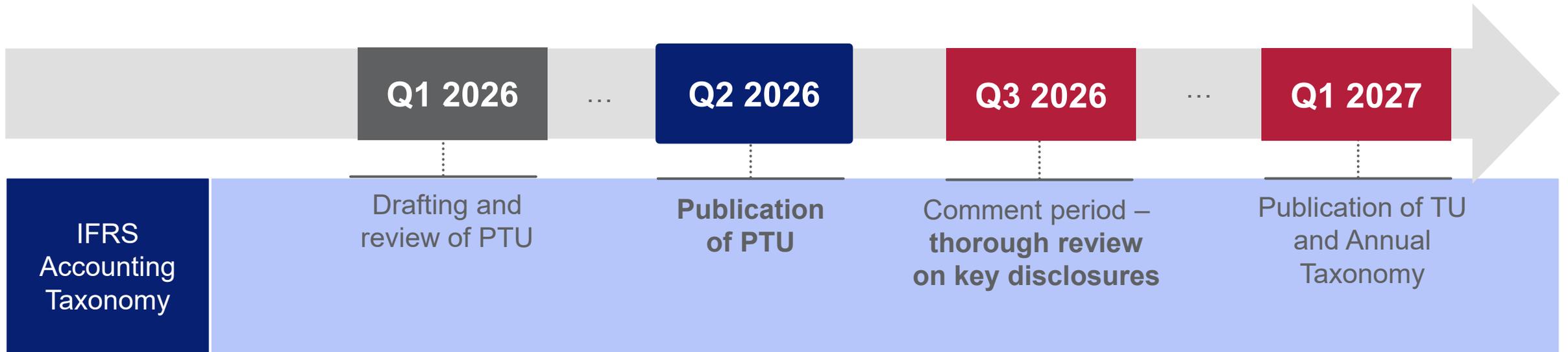
Comments have prompted several potential areas of future investigation, including:

- Detailed review of the usage, usefulness, and references of note and policy text blocks
 - Considering if all (current) numeric items are helpful, or if some would be better removed and only tagged as part of a wider text block
-

Timeline and next steps



Timeline and next steps



- Currently in Pre-ballot / ITCG review of the PTU
- We aim to publish the PTU in June 2026, separately from PTU for accounting updates (which is now planned for Q3 2026)
- During the PTU comment period we plan to:
 - conduct a **thorough review**
 - consider **targeted consultation for key disclosures**

Appendix

taxonomy modeling policy
for narrative information

(extracts of internal policy document currently in development)

Taxonomy modelling policy – narrative information (1/4)

The IFRS taxonomies aim to facilitate digital consumption of narrative information by users of general purpose financial reports without causing undue cost for preparers. Accordingly, **narrative elements should provide users with blocks of narrative information that are appropriate for efficient analysis and facilitate the appropriate comparability of narrative information between preparers and across time periods.**

Increasingly granular information might be more useful for users of digital financial reports but is also increasingly burdensome for preparers in preparing those reports. Accordingly, **the taxonomy modelling approach should avoid causing undue costs for preparers, including minimising the need for multiple tagging of the same narrative concept.**

Taxonomy modelling policy – narrative information (2/4)

Text or text block elements are created for narrative disclosure requirements expected to be:

- **separately understandable to users** of general purpose financial reports;
- **readily identifiable for tagging** in general purpose financial reports; and
- at the most granular level(s) at which both requirements are met.

Taxonomy modelling policy – narrative information (3/4)

Additionally, **text block elements are usually created for:**

- **accounting policies** that have a material effect on the financial statements;
- **individual notes;**
- all **disclosures modelled as a table;** and
- some **disclosures of unstructured blocks of information that may contain narrative and/or unspecified quantitative information.**

For every new Standard, we create a top-level text block element. We check with the project team if all the disclosures in the Standard will be in a single note or will be scattered in the financial statements. If disclosures will be in a single note, top-level text block element will be easy for preparers and users. If disclosures will be scattered, top-level text block element will be difficult for preparers but useful for users

Taxonomy modelling policy – narrative information (4/4)

In determining whether to create elements for subpoints of narrative information, it is useful to consider:

- the **structure of the disclosure requirement and the way that such narrative information would be consumed by users**. When a disclosure requirement includes some variation of the words ‘general description ...’ or ‘may include, but not limited to ...’, it is an indication that the information may be discrete and may require only a text or text block elements without creating separate elements for the subpoints.
- the **ease with which preparers would be able to tag** such information. If the subpoints are easily identifiable and separable from the higher-level paragraphs, and it would be easy for preparers to tag these subpoints, it is an indication that we may create elements for these subpoints.

Policy reflects approach taken in developing Sustainability Taxonomy*

narrative information often requires more context to be understood and useful...larger blocks of text covering wider subjects in a coherent way might be more useful than smaller extracts...

...To determine the appropriate approach, the ISSB considered the objectives of tagging narrative disclosures. These objectives are to help users of general purpose financial reports identify:

- (a) directly comparable information; and*
- (b) groups of information useful for analysis, or to which techniques such as machine learning, natural language processing and sentiment analysis could be applied to extract and summarise details.*

*...the ISSB proposes, in principle, to **provide distinct elements only for discrete blocks of narrative information the ISSB expects to be:***

- (a) **separately understandable** to users of general purpose financial reports; and*
- (b) **readily identifiable for tagging** in general purpose financial reports, thus facilitating implementation for preparers.*

*See paragraphs 56-70 [Proposed IFRS[®] Taxonomy - IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures](#)

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