



IFRS[®]

Accounting

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Proposed IFRS[®] Taxonomy Update

IFRS[®] Accounting Taxonomy 2025—Update 1

General Improvements

Comments to be received by 7 September 2026

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Proposed Update 1

General Improvements

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Introduction

Why is the IFRS® Foundation proposing changes to the IFRS Accounting Taxonomy?

- IN1 The proposed changes to the IFRS Accounting Taxonomy respond to feedback on the IFRS Accounting Taxonomy from preparers and users of tagged financial statements. The changes proposed in this document are applied to the latest version of the IFRS Accounting Taxonomy—that is, the IFRS Accounting Taxonomy 2025. References to ‘2025’ in the document title reflects the base taxonomy being updated and does not indicate the year of publication of this document.

What are general improvements?

- IN2 General improvements are changes to the IFRS Accounting Taxonomy content other than those resulting from new or amended IFRS Accounting Standards or common practice. For instance, general improvements may include:
- (a) label changes to clarify the accounting meaning of an element. Such changes may help an entity find the right element and avoid making tagging errors or creating unnecessary extensions.
 - (b) enhancements to the data model to support more consistent tagging or to better reflect the presentation and disclosure requirements in issued IFRS Accounting Standards in the IFRS Accounting Taxonomy.

IFRS Accounting Taxonomy due process

- IN3 In accordance with the due process for the IFRS Accounting Taxonomy, the IFRS Taxonomy Review Panel has reviewed the changes this document proposes for general improvements.¹ Final approval is not required.

Reading this proposed update

- IN4 This document uses taxonomy-specific terminology. For explanation of terminologies used in this proposed update, please refer to *Reading IFRS Taxonomy Updates* and *Using the IFRS Taxonomy—A preparer’s guide*.

IFRS Accounting Taxonomy files

- IN5 The IFRS Accounting Taxonomy 2025 includes two entry points:
- (a) ‘IFRS full taxonomy with elements reflecting presentation and disclosure requirements in IAS 1 *Presentation of Financial Statements*’ (IAS 1 entry point); and
 - (b) ‘IFRS full taxonomy with elements reflecting presentation and disclosure requirements in IFRS 18 *Presentation and Disclosure in Financial Statements*’ (IFRS 18 entry point).
- IN6 The IAS 1 entry point will be removed from the IFRS Accounting Taxonomy 2027 after the period of transition to IFRS 18. Therefore, this Proposed IFRS Accounting Taxonomy Update includes only proposed changes to reflect general improvements to the IFRS Accounting Taxonomy 2025 that relate to the IFRS 18 entry point.
- IN7 The taxonomy files for this Proposed IFRS Accounting Taxonomy Update, together with the accompanying XBRL representation, are based on the transition to IFRS 18 in the IFRS Accounting Taxonomy. Under this approach, the IFRS 18 content included in the IFRS Accounting Taxonomy 2025 would become the ‘ifrs-full’ entry point.

Next steps

- IN8 The Foundation will analyse comments received on this Proposed IFRS Taxonomy Update and will make any necessary amendments. After the IFRS Taxonomy Review Panel and the IFRS Taxonomy Consultative Group have reviewed this document, the Foundation will issue a final IFRS Taxonomy Update.

¹ The IFRS Taxonomy Review Panel consists of three to five members of the International Accounting Standards Board and at least one senior member of the technical staff. For more details, please refer to the *Due Process Handbook*, available at: <https://www.ifrs.org/content/dam/ifrs/publications/pdf-standards/english/2025/issued/part-c/due-process-handbook.pdf>.

Invitation to comment

- IN9 The Foundation invites comments on this Proposed IFRS Accounting Taxonomy Update, particularly on the questions in this section. Comments are most helpful if they:
- respond to the questions as stated;
 - specify the IFRS Accounting Taxonomy item, table or group of items to which they relate;
 - contain a clear rationale; and
 - include any alternative the Foundation should consider, if applicable.
- IN10 General comments on the IFRS Accounting Taxonomy as a whole, or any aspect of it, are also welcome. However, any IFRS Accounting Taxonomy amendments resulting from such comments would be considered in future updates.

Questions for respondents

Question 1—Categorising text block elements

- Do you agree with the Foundation's proposals to categorise text block elements into four distinct types – namely 'note', 'policy', 'table' and detailed text block elements – and to amend the element labels of 'note', 'policy' and 'table' text block elements to reflect those categories (paragraphs 9–19)?
- Do you agree with the Foundation's proposals to:
 - amend the documentation labels for all 'note', 'policy' and 'table' text block elements by adding a prefix, and to introduce guidance labels for all 'note' and 'policy' text block elements (paragraph 20); and
 - introduce parent–child relationships between closely related 'note' text block elements and 'policy' text block elements in their respective presentation groups (paragraphs 21–27)?

If not, please specify what changes you suggest instead and why.

Question 2—Applying the revised narrative element policy to narrative elements created under the previous approach

In developing the IFRS Sustainability Disclosure Taxonomy, the Foundation revised its policy for creating narrative elements. Under the revised policy, separate narrative elements are created only for disclosures that are expected to be *separately understandable* to users without any additional information and *readily identifiable* in general purpose financial reports. Under the previous approach, a separate narrative element was created for each distinguishable piece of narrative information.

- Do you agree with the Foundation's proposal to apply the revised policy on narrative elements to existing narrative elements created under the previous approach, and with how the Foundation has proposed to apply that policy, including the identification of elements to be deprecated or retained and the creation of narrative elements that represent a broader concept (paragraphs 28–42)?

If not, please specify what changes you suggest instead and why.

- Do you agree with the Foundation's proposed consequential approaches that would result from applying the revised policy on narrative elements, such as:
 - adding paragraph references from elements proposed to be deprecated applying the revised policy to the broader narrative element that is either retained or newly created (paragraphs 43–46); and
 - retaining non-narrative elements – currently included beneath the elements proposed to be deprecated – as children of those broader narrative elements (paragraphs 47–48)?

If not, please specify what changes you suggest instead and why.

- Do you have any views on the Foundation's rejected alternative approach of retaining deprecated narrative elements as non-tagable, abstract 'context marker' elements (paragraphs 49–53)?

If yes, please specify why you would recommend retaining the deprecated elements as abstract elements or, alternatively, why you would advise against using this approach.

Question 3—Other general improvements

Do you agree with the Foundation’s other proposed changes to the IFRS Accounting Taxonomy, including:

- (a) introducing categorical elements under some narrative elements (paragraphs 55–56);
- (b) amending the documentation labels of some narrative elements (paragraph 57);
- (c) creating one text element (paragraph 58); and
- (d) changing the element type of some elements (paragraphs 59–61)?

If not, please specify why.

Question 4—Further changes

Do you have any other comments or suggestions on the proposals to be included in the IFRS Accounting Taxonomy 2027, or any general comments on the IFRS Accounting Taxonomy as a whole that we should consider in future Taxonomy releases?

Deadline

The IFRS Foundation will consider all comments received in writing by 7 September 2026.

How to comment

Please submit your comments electronically:

Website <https://www.ifrs.org/projects/open-for-comment/>

By email commentletters@ifrs.org

Your comments will be on the public record and posted on our website unless you request confidentiality and we grant your request. We do not normally grant such requests unless they are supported by a good reason, for example, commercial confidence. Please see our website for details on this policy and on how we use your personal data. If you would like to request confidentiality, please contact us at commentletters@ifrs.org before submitting your letter.

This document uses standard acronyms. ‘ET’ refers to element type and ‘ER’ to element reference type. Element type ‘T’ refers to text, ‘TB’ to text block, ‘M’ to monetary, ‘DEC’ to decimal, ‘B’ to Boolean, and ‘EE’ to extensible enumeration. Element reference type ‘D’ refers to disclosure, ‘E’ to example and ‘CP’ to common practice. A short code appended to labels is used to refer to axes and members: ‘(A)’ refers to an axis, ‘(M)’ refers to a member, and ‘(DM)’ refers to the domain member of the axis.

General improvements to narrative elements

- 1 When developing the IFRS Sustainability Disclosure Taxonomy, the Foundation observed that users of digital general purpose financial reports often consume narrative information and numerical information differently. Numerical information can often easily be captured separately as distinct items of information in a digital format, and individual numbers (such as total assets, or profit) readily compared between entities. In contrast, the meaning and usefulness of narrative information often depend on the context and such information can be less easily directly comparable than numeric information. As a result, narrative elements often require related information to provide sufficient explanatory context to be understood and to be useful and are often more effectively presented and analysed as larger, coherent blocks of text rather than as smaller extracts.
- 2 Based on these observations, the Foundation revised its policy for creating narrative elements. Under this revised policy, separate narrative elements are only created for disclosures that are expected to be:
 - (a) *separately understandable* to users of general purpose financial reports (that is, without typically needing to be considered along with other closely related disclosures before they can be understood and be useful); and
 - (b) *readily identifiable* for tagging in general purpose financial reports (that is, not typically being commingled with the text of other disclosures or scattered across many locations in a report).²
- 3 The revised policy aims to strike a better balance between the usefulness of tagged information for users and the effort required of preparers in tagging their general purpose financial reports.
- 4 Building on this revised policy, the Foundation reviewed the structure and narrative elements of the IFRS Accounting Taxonomy.³ The review identified several broader opportunities to improve consistency, reduce complexity and better facilitate the use of digital financial information. Therefore, the Foundation proposes general improvements to streamline narrative elements and enhance their clarity by categorising them and aligning them with the revised policy for narrative elements. The proposed changes include:
 - (a) categorising text block elements into distinct types (paragraphs 9–27);
 - (b) streamlining narrative elements created under the previous approach (which was to create separate narrative elements for each distinguishable piece of narrative information) to align them with the revised policy, including eliminating excessively detailed narrative elements and replacing them with broader, more useful elements that cover a wider range of content (paragraphs 28–53); and
 - (c) making other general improvements, including creating categorical elements and making targeted refinements to documentation labels and element types identified during the review (paragraphs 54–61).
- 5 The Foundation expects the proposed changes:
 - (a) to align with the IFRS Foundation’s revised policy for narrative elements reflecting disclosure requirements that are expected to be *separately understandable* and *readily identifiable*, aligning with the approach used in the IFRS Sustainability Disclosure Taxonomy.
 - (b) to simplify the Taxonomy structure and reduce the number of elements, making it easier for preparers to navigate and search for elements in the IFRS Accounting Taxonomy.
 - (c) to reduce complexity and enhance usability for both preparers and users. Preparers should benefit from a more streamlined tagging process, and users should find that the revised approach better reflects how digital reports are consumed and analysed, including when artificial intelligence is used.

² When assessing ‘readily identifiable’, the Foundation did not require that a disclosure appear under a distinct (sub)heading; it assessed only whether the relevant text would be expected to be easy to identify in reports.

³ The IFRS Accounting Taxonomy 2025 (IFRS 18 entry point) includes a total of 1,235 narrative elements, of which approximately 80% have a ‘Disclosure’ element reference type.

- (d) to improve the consistency and comparability of entities' information over time, because the proposed approach encourages consistent tagging of similar disclosures. This improved consistency and comparability would enhance the usefulness of digital financial information for decision making and support better analysis.

6 Applying these proposed changes to the IFRS Accounting Taxonomy would result in:

- (a) categorising approximately 360 text block elements into distinct types;
- (b) deprecating approximately 400 narrative elements; and
- (c) creating approximately 100 narrative elements.

7 For detailed proposed changes, please refer to the proposed IFRS Accounting Taxonomy file and the *IFRS Taxonomy Illustrated*.

8 The Foundation provides the IFRS Accounting Taxonomy for use in the digital reporting of financial reports. However, individual jurisdictions determine which information is required to be identified, tagged and made digitally accessible in such reports. Jurisdictions vary in both the level of detail of tagging required, and the guidance they provide on the use of the IFRS Accounting Taxonomy. When developing these proposals, the Foundation took into account that diversity in implementation and sought to facilitate consistent implementation in jurisdictions.

Categorising text block elements

9 Text block elements may represent anything from a part of a sentence to many pages of formatted narratives, images and numbers. In Inline XBRL documents, text block elements can enclose other numeric and non-numeric facts, even other text block elements. The IFRS Accounting Taxonomy includes various text block elements intended to be used for different purposes, including:

- (a) to tag complete notes to the financial statements;⁴
- (b) to tag the disclosure of accounting policies;
- (c) to tag 'dimensional' disclosures—that is, disclosures with some form of structured repetition, usually in the form of tables; and
- (d) to tag other discrete blocks of information.

10 However, the IFRS Accounting Taxonomy does not make enough of a distinction between those text block elements that are intended to be used to tag complete notes, to tag the disclosure of accounting policies or to tag dimensional disclosures. These elements are not labelled in a manner that supports consistent tagging of disclosed information—especially in situations in which preparers need to use element labels that have similar wording to other labels with different purposes. For example, '*Disclosure of subsidiaries [text block]*' is intended to tag the complete note disclosure for subsidiaries, whereas '*Disclosure of interests in subsidiaries [text block]*' is intended to tag the structural disclosure of an entity's interests in its subsidiaries. This is not immediately clear from their current labelling.

11 To support consistent application of these text block elements in the IFRS Accounting Taxonomy, the Foundation proposes to amend their respective labels to create four distinct categories,⁵ namely:

- (a) **complete note disclosures**—elements intended to be used to tag a complete note to the financial statements as a single block of narrative disclosure would include '*[note text block]*' at the end of the element label. For example, '*Disclosure of employee benefits [note text block]*'. These elements would also be included in the presentation group '*[800500] Notes - List of notes*'.⁶

4 These proposals do not affect footnotes, such as footnotes to the primary financial statements. These should continue to be tagged using appropriate mechanisms, such as XBRL footnotes and detailed tagging of their content where required or beneficial.

5 The Foundation acknowledges that the categorisation of text block elements proposed in this update is not yet reflected in the IFRS Sustainability Disclosure Taxonomy. The Foundation plans to consider whether similar changes should be introduced in a future general improvements update to the IFRS Sustainability Disclosure Taxonomy, with the aim of promoting greater consistency between the Foundation's digital taxonomies. However, the Foundation notes that 'accounting policy' and 'note to the financial statements' do not have direct equivalents in the context of sustainability disclosures.

6 Many of these elements would also be present as the root element of presentation groups on particular subjects, where it is anticipated that disclosures on that subject would frequently form a separate note to the financial statements.

- (b) **accounting policies**—elements intended to be used to tag narrative descriptions of accounting policies applied by preparers, or descriptions of any policy changes, would include ‘*[policy text block]*’ at the end of the element label. For example, ‘*Description of accounting policy for financial instruments [policy text block]*’. These elements would also be included in the presentation group ‘*[800610] Notes - List of material accounting policy information*’.
- (c) **dimensional/table structures**—elements intended to be used to tag a complete dimensional or table disclosure as a single block would include ‘*[table text block]*’ at the end of the element label. For example, ‘*Disclosure of fair value measurement of assets [table text block]*’. These text block elements are included in the Taxonomy when a table disclosure is modelled and are used to wrap that table disclosure. These ‘table’ text block elements are intended to be used to tag disclosures that are conceptually structured and dimensional in nature, and which (in a filing regime that requests detailed tagging) have more detailed structured tagging within them, regardless of whether the information is presented by a particular reporter in a table or narratively.⁷ Accordingly, these elements should be used to tag the disclosure wherever the information represented by the enclosed table structure is provided. These elements will generally be used to tag specific parts within the scope of a ‘note’ text block element.
- (d) **detailed narrative elements**—elements (‘detailed text block elements’) designed to tag specific discrete blocks of information, often a small section within the text captured by one of the previous three kinds of text block elements, would remain labelled simply ‘*[text block]*’. These elements are on a similar conceptual level as individual numeric or categorical elements and are intended for use in filing regimes that require detailed tagging of information within the notes to financial statements. The Foundation proposes to apply the revised policy on narrative elements to these text block elements (along with other text elements). For details, please see the section ‘Applying the revised narrative element policy to narrative elements created under the previous approach’ (paragraphs 28–48).

Use of ‘table’ text block elements

- 12 Currently the Foundation’s policy is to create a ‘table’ text block element as a wrapper for any disclosure that requires a disaggregation by some concept other than time period or line item (which are handled intrinsically in XBRL reporting)—that is, for which a dimensional ‘table’ structure is modelled. The purpose of this ‘table’ text block element is to capture any additional information disclosed in a table that is not specifically captured by the detailed dimensional tagging, and to provide an option to capture the table structure where a filing regime chooses not to require detailed tagging to that level.
- 13 The Foundation observed that some items of information are commonly disclosed in tables but are not modelled using dimensional structures because IFRS Accounting Standards do not specifically require disaggregation (of the form discussed) for those disclosures—for example, the disaggregation of inventories by nature, or the tax reconciliation. Consequently, the Foundation considered expanding the current policy for ‘table’ text block elements by modelling ‘table’ text block elements for these commonly disclosed tables.
- 14 The Foundation decided not to expand the existing policy for creating ‘table’ text block elements because:
- (a) maintaining a clear and consistent approach—where ‘table’ text block elements are used only when a disclosure requirement implies disaggregation and is modelled dimensionally—reduces the risk of inconsistent modelling practices; and
- (b) expanding their use would require judgement about formatting of financial statements that might be difficult to apply consistently and might not reflect the purpose of the disclosure requirements in the IFRS Accounting Standards.

Text block elements that currently serve two purposes

- 15 In analysing the IFRS Accounting Taxonomy, the Foundation identified several elements that are currently included in more than one location in the presentation linkbase, thereby serving two purposes. These elements are used as ‘table’ text block elements 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.
- 16 For example, ‘*Disclosure of contingent liabilities [text block]*’ is currently part of a dimensional or table structure in the presentation group ‘*[827570] Notes - Other provisions, contingent liabilities and contingent assets*’, but it is also included in the presentation group ‘*[800500] Notes - List of notes*’.

⁷ That is, where information is provided that, in general, has some kind of natural repetition or breakdown, and which therefore a reader could reasonably expect to be able to rearrange into a tabular form for analysis or comparison.

- 17 To align these elements with the approach described in paragraph 11, the Foundation proposes:
- to categorise four text block elements as ‘table’ text block elements and remove these four elements from the presentation group ‘[800500] Notes - List of notes’; and
 - to create four new ‘note’ text block elements in the presentation group ‘[800500] Notes - List of notes’.
- 18 Table 1 illustrates the list of elements that currently serve two purposes and the proposed changes.

Table 1—List of elements that currently serve two purposes

List of existing elements that currently serve two purposes	Proposed changes	Elements after proposed changes
Disclosure of contingent liabilities [text block]	Categorise as ‘table’ text block	Disclosure of contingent liabilities [table text block]
	Create a new ‘note’ text block	Disclosure of information about contingent liabilities [note text block]
Disclosure of joint ventures [text block]	Categorise as ‘table’ text block	Disclosure of joint ventures [table text block]
	Create a new ‘note’ text block	Disclosure of interests in joint ventures [note text block]
Disclosure of objectives, policies and processes for managing capital [text block]	Categorise as ‘table’ text block	Disclosure of objectives, policies and processes for managing capital [table text block]
	Create a new ‘note’ text block	Disclosure of capital management [note text block]
Disclosure of reserves within equity [text block]	Categorise as ‘table’ text block	Disclosure of reserves within equity [table text block]
	Create a new ‘note’ text block	Disclosure of equity reserves [note text block]

- 19 Table 2 illustrates the number of proposed categorised text block elements by category. For detailed proposed changes, please refer to the proposed IFRS Accounting Taxonomy file and the *IFRS Taxonomy Illustrated*.

Table 2—Categorisation of text block elements

	Number of text block elements
‘Note’ text block elements	134
‘Policy’ text block elements	90
‘Table’ text block elements	143
Detailed text block elements	116
Total	483

Proposed documentation label and guidance label for text block elements

- 20 To support preparers in more consistently tagging digital financial information, the Foundation proposes:
- to amend the documentation labels for all ‘note’, ‘policy’, and ‘table’ text block elements by adding a prefix indicating the category and preferred usage of text block elements (see Table 3).
 - to introduce guidance labels for all ‘note’ and ‘policy’ text block elements (see Figure 1 and Figure 2). The guidance would clarify the preferred usage of ‘note’ and ‘policy’ text block elements.

Table 3—Example of amended documentation labels

Element label	Documentation label
Disclosure of borrowings [<u>note</u> text block]	<u>Note</u> . The disclosure of borrowings. [Refer: Borrowings]
Description of accounting policy for borrowings [<u>policy</u> text block]	<u>Accounting policy</u> . The description of the entity's material accounting policy information for borrowings. [Refer: Borrowings]
Disclosure of detailed information about borrowings [<u>table</u> text block]	<u>Table</u> . The (<u>typically tabular</u>) disclosure of detailed information about borrowings. [Refer: Borrowings]

Figure 1—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.

Figure 2—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.

Structure of presentation linkbase for ‘note’ and ‘policy’ text block elements

- 21 The IFRS Accounting Taxonomy includes closely related text block elements that allow preparers to tag complete note disclosures and accounting policy disclosures with various degrees of detail. For example, the text block element ‘*Disclosure of intangible assets and goodwill [text block]*’ could be used to tag items of information about intangible assets and goodwill that are disclosed together. The more specific text block elements ‘*Disclosure of intangible assets [text block]*’ and ‘*Disclosure of goodwill [text block]*’ could be used when these items of information are disclosed separately.
- 22 However, the current presentation linkbase does not reflect the relationships between broader elements and more specific elements. As a result, closely related text block elements are often positioned at the same hierarchical level in the presentation linkbase. This lack of structural clarity makes it more difficult for preparers to identify the most appropriate element to use, and for users to identify elements which may contain the information they seek.
- 23 To improve structural clarity, the Foundation proposes:
- to introduce parent–child relationships between closely related ‘note’ text block elements in the presentation group ‘[800500] Notes - List of notes’ and ‘policy’ text block elements in the presentation group ‘[800610] Notes - List of material accounting policy information’.⁸
 - to amend the documentation labels of the child text block elements to refer to their parent and sibling text block elements, and the labels of parent elements to refer to their children. These amendments would reinforce these relationships, clarify how the elements relate to each other, and ensure this information is also accessible when preparers or users consider individual elements in isolation.
- 24 Table 4 illustrates an example of parent–child relationships between closely related ‘note’ text block elements. In this example, the element ‘*Disclosure of intangible assets and goodwill [note text block]*’ would act as a parent element for the more specific elements ‘*Disclosure of intangible assets [note text block]*’ and ‘*Disclosure of goodwill [note text block]*’.

Table 4—Example of parent–child relationships between closely related ‘note’ text block elements

Element label	Parent–child relationship
Disclosure of intangible assets and goodwill [<u>note</u> text block]	Parent
Disclosure of goodwill [<u>note</u> text block]	Child
Disclosure of intangible assets [<u>note</u> text block]	Child

⁸ Where a disclosure, if not forming a complete note itself, might reasonably be included by different preparers within different broader notes that child element may be placed under multiple parents so that users know where they would be likely to find that information.

25 Table 5 illustrates the amended documentation labels of the elements. The Foundation proposes to indicate the related text block elements through a list introduced by the word ‘Contrast’. This approach is already used in the IFRS Accounting Taxonomy to indicate other elements with which an element might be confused, or that might better reflect the content of a disclosure. Accordingly, using ‘Contrast’ is suitable for indicating these relationships, to guide both preparers and users of tagged information to consider other elements which might be suitable or might also contain the information they require.

Table 5—Example of amended documentation labels

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: Disclosure of goodwill [note text block]; Disclosure of intangible assets [note text block]]
Disclosure of goodwill [note text block]	The disclosure of goodwill. [Refer: Goodwill] [Contrast: Disclosure of intangible assets and goodwill [note text block]; Disclosure of intangible assets [note text block]]
Disclosure of intangible assets [note text block]	The entire disclosure for intangible assets. [Contrast: Disclosure of intangible assets and goodwill [note text block]; Disclosure of goodwill [note text block]]

26 The Foundation also considered indicating connections (either via documentation labels, taxonomy presentation group layout, or custom XBRL arcroles) between elements intended to tag notes to the financial statements and elements intended to tag accounting policies. In many cases, there are clear associations where a ‘note’ element and ‘policy’ element have related subjects—for example ‘*Description of accounting policy for earnings per share [policy text block]*’ and ‘*Disclosure of earnings per share [note text block]*’. However, many elements, both ‘note’ elements and ‘policy’ elements, do not have such clear and simple one-to-one associations. The Foundation therefore concluded that such partial information would likely be more confusing than beneficial.

27 The Foundation does however note that it would be ideal practice for preparers to connect accounting policy facts to the facts materially impacted by them, by placing the policy on the ‘explanatoryFact’ end of a standard XBRL fact-explanatoryFact link. This would naturally mean connecting accounting policies to associated notes in digital financial information.

Applying the revised narrative element policy to narrative elements created under the previous approach

28 The Foundation’s revised policy for narrative elements is to create distinct text or text block elements for narrative disclosures that are expected to be:

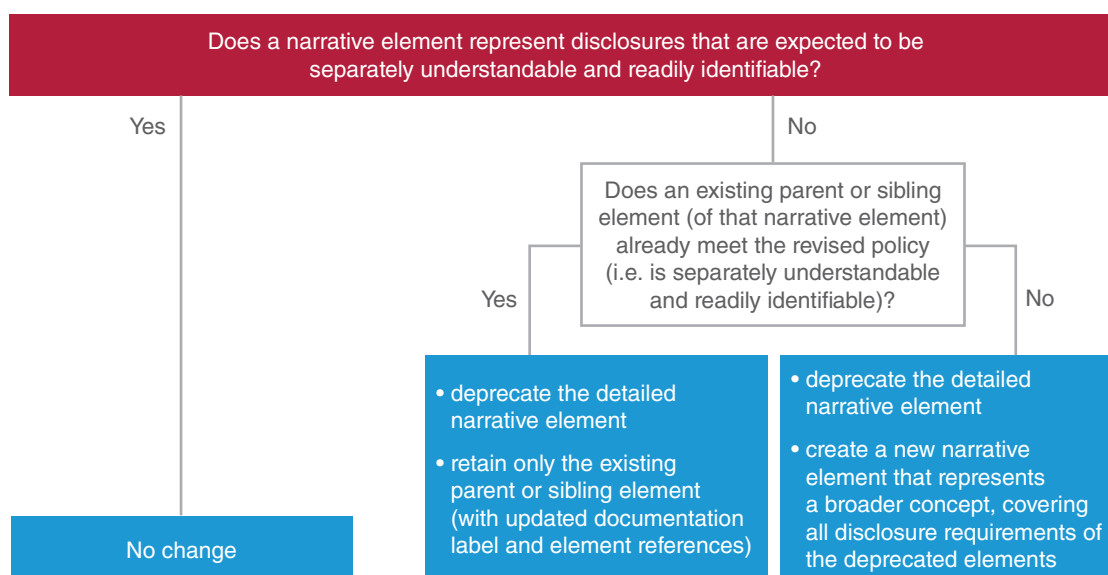
- (a) *separately understandable* to users of general purpose financial reports; and
- (b) *readily identifiable* for tagging in general purpose financial reports.

29 The Foundation proposes to apply this revised policy to narrative elements that were created under the previous approach in the IFRS Accounting Taxonomy. Under the previous approach, separate narrative elements were created for each distinguishable piece of narrative information.

30 In implementing the proposed approach, the Foundation categorised narrative elements created under the previous approach into two categories for the purposes of the analysis:

- (a) narrative elements reflecting disclosures that are expected to be separately understandable and readily identifiable (paragraphs 32–33); or
- (b) narrative elements reflecting disclosures that are either not expected to be separately understandable to users or not expected to be readily identifiable by preparers (paragraphs 34–42).

31 Figure 3 illustrates how the Foundation applied the revised policy for narrative elements to narrative elements created under the previous approach in the IFRS Accounting Taxonomy.

Figure 3—Applying the revised narrative element policy to narrative elements created under the previous approach**Disclosures expected to be separately understandable and readily identifiable**

32 Some existing narrative elements correspond to disclosures that are expected to be separately understandable to users and readily identifiable by preparers. These disclosures are usually expected to be *consumed separately* from other disclosures by users and usually expected to be frequently *disclosed separately* by preparers (that is, in different locations in a financial report). The Foundation proposes no changes to these elements because:

- (a) the elements already align with the revised policy for narrative elements;
- (b) maintaining distinct elements supports efficient and accurate tagging by preparers; and
- (c) the disclosures provide useful stand-alone information for users, and deprecating these elements might reduce the usefulness of these narrative elements.

33 Figure 4 illustrates an example of information required by paragraph 128 of IAS 38 *Intangible Assets*. The information is expected to be separately understandable to users and readily identifiable by preparers. The IFRS Accounting Taxonomy includes two elements to reflect these disclosure requirements—‘*Description of fully amortised intangible assets*’ and ‘*Description of significant intangible assets controlled by entity but not recognised*’. The Foundation expects preparers to disclose this information separately and users to consume and understand it separately from other disclosures, and therefore proposes no changes to these elements.

Figure 4—Extract from IAS 38

IAS 38 <i>Intangible Assets</i>				
...				
128	An entity is encouraged, but not required, to disclose the following information:			
	(a) a description of any fully amortised intangible asset that is still in use; and			
	Element label	ET	ER	Reference
	Description of fully amortised intangible assets	T	E	IAS 38.128(a)
	(b) a brief description of significant intangible assets controlled by the entity but not recognised as assets because they did not meet the recognition criteria in this Standard or because they were acquired or generated before the version of IAS 38 <i>Intangible Assets</i> issued in 1998 was effective.			

continued...

...continued

Element label	ET	ER	Reference
Description of significant intangible assets controlled by entity but not recognised	T	E	IAS 38.128(b)

Disclosures not expected to be separately understandable or readily identifiable

34 The Foundation proposes changes to existing narrative elements created under the previous approach if the corresponding disclosures are not expected to be separately understandable and readily identifiable. This might be because the information the element represents would typically need to be considered as part of a group of other closely related elements to be properly useful. Alternatively, or in addition, it might be because the information is often disclosed in a format or within text where it is difficult to isolate which specific part of the disclosure belongs to a specific element. A user will typically expect to consume and understand the broader group of disclosures together, while a preparer will typically disclose the broader group of information in a single, readily identifiable part of their general purpose financial reports.

35 These changes are analysed in two circumstances, namely when:

- (a) an existing parent or sibling element meets the revised policy criteria and represents a disclosure that is separately understandable and readily identifiable; or
- (b) no suitable element meets the revised policy criteria.

36 In both cases, the Foundation proposes to retain any child non-narrative elements as children of the parent or new narrative element, ensuring that structured information remains available when relevant.

Parent or sibling element meets the revised policy criteria

37 Some elements are excessively detailed (that is, unlikely to be separately understandable and readily identifiable) and their parent or another element, typically a sibling, already represents a disclosure that is expected to be separately understandable and readily identifiable. If that parent or sibling either already encompasses the scope of the disclosure of the excessively detailed element or it is, on balance, considering factors such as comparability of data series where an element's scope is changed, useful to alter the parent or sibling to incorporate that scope, the Foundation proposes:

- (a) to deprecate the excessively detailed narrative elements; and
- (b) to retain only the parent or sibling elements, but with updated documentation labels and element references that reflect information from the deprecated elements – specifically, the related documentation labels and references to main paragraphs or subparagraphs.

38 Table 6 illustrates an example of a parent element that already captures the overall disclosure in a manner that is separately understandable. The parent text block element '*Disclosure of additional information about leasing activities for lessor [text block]*' represents the overall disclosure requirement in paragraph 92 of IFRS 16. The child elements reflect the more specific requirements in paragraph 92(a)–(b) of IFRS 16 – such as information about the nature of the lessor's leasing activities and how the lessor manages risks associated with retained rights in underlying assets.

39 The Foundation considers that the parent text block element already represents the overall disclosure requirement. Furthermore, the child elements that reflect the subparagraphs in paragraph 92 of IFRS 16 are unnecessarily detailed; their corresponding disclosures are unlikely to be separately understandable or readily identifiable. Therefore, the Foundation proposes:

- (a) to retain the parent text block element '*Disclosure of additional information about leasing activities for lessor [text block]*' and deprecate the child elements; and
- (b) to update the documentation label of the parent element to reflect the content of the more specific requirements, ensuring the disclosure requirement remains clearly represented in the Taxonomy.

Table 6—Example of a parent element that meets the revised policy criteria

Element label	ET	ER	Reference
Disclosure of additional information about leasing activities for lessor	TB	D	IFRS 16.92

continued...

...continued

Element label	ET	ER	Reference
Information about nature of lessor's leasing activities	⚠	⊘	IFRS 16.92(a)
Information about how lessor manages risk associated with rights it retains in underlying assets	⚠	⊘	IFRS 16.92(b)
Information about risk management strategy for rights that lessor retains in underlying assets	⚠	⊘	IFRS 16.92(b)

Element label	Documentation label
Disclosure of additional information about leasing activities for lessor	The disclosure of additional information about leasing activities of a lessor. <u>This includes, but is not limited to: information about the nature of the lessor's leasing activities; and information about how the lessor manages the risk associated with the rights it retains in underlying assets, in particular, information about the risk management strategy for the rights that the lessor retains in underlying assets, including any means by which the lessor reduces that risk.</u>

No suitable element meets the revised policy criteria

- 40 There are elements that are excessively detailed but for which no suitable existing element represents a broader concept that includes their detailed requirements and meets the revised policy for narrative elements by representing a disclosure that is expected to be separately understandable or readily identifiable. In such cases, the Foundation proposes:
- to deprecate the set of excessively detailed elements;
 - to create a new narrative element that represents a broader concept, covering all the disclosure requirements of the deprecated elements; and
 - to include in the documentation label and element references of the new narrative element additional context from the deprecated elements about the disclosure requirements and paragraph references.
- 41 Table 7 illustrates an example in which several elements capture detailed aspects of the disclosure of contingent liabilities in a business combination. The Foundation considers that the exact items of information conveyed by these elements are typically not readily individually identifiable in a report, and the individual pieces of the disclosure are not expected to be separately understandable.
- 42 Therefore, the Foundation proposes to deprecate the individual narrative elements and to create two new narrative elements to cover the disclosure requirements more efficiently—'Disclosure of recognised contingent liabilities in business combination [text block]' and 'Disclosure of unrecognised contingent liabilities in business combination [text block]'. Other non-narrative elements—such as the retained monetary elements—would remain in the Taxonomy and would become child elements of this newly created narrative element.

Table 7—Example of creating new elements that cover the disclosure requirements of multiple current elements

Element label	ET	ER	Reference ⁹
Disclosure of contingent liabilities in business combination [line items]			
Disclosure of recognised contingent liabilities in business combination [text block]	TB	D	IFRS 3.B64(j)
Description of nature of obligation, contingent liabilities in business combination	⚠	⊘	IFRS 3.B64(j), IFRS 3.B64(j)(i)
Description of expected timing of outflows, contingent liabilities in business combination	⚠	⊘	IFRS 3.B64(j)
Indication of uncertainties of amount or timing of outflows, contingent liabilities in business combination	⚠	⊘	IFRS 3.B64(j)(i), IFRS 3.B64(j)

continued...

9 For simplicity, this table shows only the references to paragraph B64(j) of IFRS 3 *Business Combinations*.

...continued

Element label	ET	ER	Reference ⁹
Description of major assumptions made concerning future events, contingent liabilities in business combination	⌘	Ⓓ	IFRS 3.B64(j)
Expected reimbursement, contingent liabilities in business combination	M	D	IFRS 3.B64(j)
Asset recognised for expected reimbursement, contingent liabilities in business combination	M	D	IFRS 3.B64(j)
Disclosure of unrecognised contingent liabilities in business combination [text block]	TB	D	IFRS 3.B64(j)
Explanation of estimated financial effect, contingent liabilities in business combination	⌘	Ⓓ	IFRS 3.B64(j)(i)
Estimated financial effect, contingent liabilities in business combination	M	D	IFRS 3.B64(j)(i)
Explanation of possibility of reimbursement, contingent liabilities in business combination	⌘	Ⓓ	IFRS 3.B64(j)(i)
Description of reasons why liability cannot be measured reliably	⌘	Ⓓ	IFRS 3.B64(j)(ii)
...			

Paragraph references of deprecated elements

43 The Foundation proposes to use two approaches for paragraph references when merging deprecated narrative elements into an element with a broader scope covering the related disclosure requirements, specifically:

- if the broader element clearly reflects the overall disclosure requirement in the main paragraph—to include only the main paragraph references, not subparagraph references, in the broader element. Figure 5 illustrates this approach for paragraph 34 of IFRS 18.
- if the broader element represents only some subparagraphs, and so the main paragraph reference alone would not adequately describe the disclosure requirements covered by the broader element—to include all subparagraph references from the deprecated elements in the broader element.¹⁰ Figure 6 illustrates this approach for paragraph 127 of IFRS 18.

Figure 5—Example of including only the main paragraph references

IFRS 18 Presentation and Disclosure in Financial Statements			
...			
34	When it is impracticable to reclassify comparative amounts, an entity shall disclose:		
Element label	ET	ER	Reference
Description of impracticability to reclassify comparative amounts	T	D	IFRS 18.34, IFRS 19.130
(a)	the reason for not reclassifying the amounts; and		
Element label	ET	ER	Reference
Description of reason why reclassification of comparative amounts is impracticable	⌘	Ⓓ	IFRS 18.34(a), IFRS 19.130(a)

continued...

⁹ For simplicity, this table shows only the references to paragraph B64(j) of IFRS 3 *Business Combinations*.

¹⁰ In such cases, where a new element is introduced that relates to the disclosure requirements of some, but not all, subparagraphs, the new element will replace some, but not all, existing sibling elements. The existing sibling elements which represent the remaining disclosure requirements, will remain and be siblings to the new element.

...continued

(b)	the nature of the adjustments that would have been made if the amounts had been reclassified.			
	Element label	ET	ER	Reference
	Description of nature of necessary adjustments to provide comparative information	T	D	IFRS 18.34(b), IFRS 19.130(b)

Figure 6—Example of including all subparagraph references from deprecated elements¹¹

IFRS 18 Presentation and Disclosure in Financial Statements				
...				
127	To comply with paragraph 126 an entity shall disclose in the notes:			
(a)	qualitative information about its objectives, policies and processes for managing capital, including:			
(i)	...			
	Element label	ET	ER	Reference
	Qualitative information about entity's objectives, policies and processes for managing capital	T	D	IFRS 18.127(a)
(b)	summary quantitative data about what it manages as capital. Some entities regard some financial liabilities (for example, some forms of subordinated debt) as part of capital. Other entities regard capital as excluding some components of equity (for example, components arising from cash flow hedges).			
	Element label	ET	ER	Reference
	Summary quantitative data about what entity manages as capital	T	D	IFRS 18.127(b)
...				
(d)	whether during the reporting period it complied with any externally imposed capital requirements to which it is subject.			
	Element label	ET	ER	Reference
	Information whether entity complied with any externally imposed capital requirements	T	D	IFRS 18.127(d)
(e)	when it has not complied with such externally imposed capital requirements, the consequences of such non-compliance.			
	Element label	ET	ER	Reference
	Information about consequences of non-compliance with externally imposed capital requirements	T	D	IFRS 18.127(e)
	Element label	ET	ER	Reference
	Information about compliance with externally imposed capital requirements and consequence of non-compliance	T	D	IFRS 18.127(d), IFRS 18.127(e)

44 The advantages of this proposed approach include:

- (a) aligning the modelling approach in the IFRS Accounting Taxonomy with the modelling approach in the IFRS Sustainability Disclosure Taxonomy;
- (b) simplifying the reference structure by linking the merged elements only to main paragraphs in IFRS Accounting Standards; and

¹¹ This figure illustrates only an example of how all subparagraph references from deprecated elements are applied in combination to the new, broader in scope, narrative element that replaces them. It does not show all proposed changes to the Taxonomy for paragraph 127 of IFRS 18 *Presentation and Disclosure in Financial Statements*.

- (c) ensuring that the references in the merged elements are consistent with the references that would have been assigned to the broader element if no child elements had been created, and that they remain consistent with similar elements for which no child elements were created.

45 The Foundation acknowledges that subparagraph references previously associated with deprecated elements would no longer be linked to any narrative elements. Removing these links could reduce preparers' and users' ability to locate elements based on specific subparagraph references and might affect the usability of tools that rely on detailed paragraph mapping.

46 On balance, in the Foundation's view, the advantages of consistency with the approach used in the IFRS Sustainability Disclosure Taxonomy outweigh the disadvantages described in paragraph 45. Therefore, the Foundation proposes to follow this approach for the paragraph references of deprecated elements.

Retaining non-narrative elements as children of the narrative elements

47 Some other non-narrative elements—such as categorical, monetary, numeric or date elements—are included beneath the deprecated narrative elements. In such cases, the Foundation proposes to retain those non-narrative elements as children of the parent or the newly introduced narrative elements to maintain the structure of the IFRS Accounting Taxonomy. The retained categorical elements are intended to be used in conjunction with their parent elements.

48 Table 8 illustrates an example of elements reflecting a disclosure requirement in IFRS 13 *Fair Value Measurement*. In the example, several elements are proposed for deprecation and replacement with a broader narrative element. One of the deprecated elements was accompanied by a related categorical element, '*Valuation techniques used in fair value measurement, assets*'. The Foundation proposes to retain this categorical element as a child of the new combined narrative element, '*Description of valuation techniques and inputs used in fair value measurement, assets*'. The retained categorical element is intended to be used in conjunction with the combined narrative element, which captures the valuation techniques together with the related inputs and explanatory context.

Table 8—Example of retaining categorical elements as children of the new child narrative element

Element label	ET	ER	Reference
Disclosure of fair value measurement of assets [line items]			
...			
Description of valuation techniques and inputs used in fair value measurement, assets	T	D	IFRS 13.93(d)
Description of valuation techniques used in fair value measurement, assets	T	D	IFRS 13.93(d)
Valuation techniques used in fair value measurement, assets	EE	D	IFRS 13.93(d)
Description of inputs used in fair value measurement, assets	T	D	IFRS 13.93(d)
Description of change in valuation technique used in fair value measurement, assets	T	D	IFRS 13.93(d)
Description of reasons for change in valuation technique used in fair value measurement, assets	T	D	IFRS 13.93(d)
...			

Rejected alternative approach—Adding non-tagable abstract elements in place of deprecated narrative elements

49 The Foundation considered, and rejected, an alternative approach, which would have involved replacing deprecated elements in the presentation linkbase with abstract elements that serve as 'context marker' elements. These elements would show the specific disclosures that might be expected to be disclosed within the broader text block elements.

50 Table 9 illustrates an example of such abstract elements being added to the Taxonomy to retain the contextual information provided by the deprecated elements.

Table 9—Example of adding abstract elements to the Taxonomy

Element label	ET	ER	Reference
Disclosure of additional information about leasing activities for lessor [text block]	TB	D	IFRS 16.92
Information about nature of lessor's leasing activities	T	D	IFRS 16.92(a)
Information about nature of lessor's leasing activities [abstract]			IFRS 16.92(a)
Information about how lessor manages risk associated with rights it retains in underlying assets	T	D	IFRS 16.92(b)
Information about how lessor manages risk associated with rights it retains in underlying assets [abstract]			IFRS 16.92(b)
Information about risk management strategy for rights that lessor retains in underlying assets	T	D	IFRS 16.92(b)
Information about risk management strategy for rights that lessor retains in underlying assets [abstract]			IFRS 16.92(b)

- 51 The advantages of adding abstract elements to reflect the context provided by the deprecated elements include:
- providing reference points for preparers and users to search for suitable elements by searching for phrases;
 - improving alignment between elements in the IFRS Accounting Taxonomy and specific disclosure requirements in IFRS Accounting Standards; and
 - providing structural context for reported elements that would enhance the ability of machine learning systems to analyse information efficiently and accurately.
- 52 The disadvantages of adding these abstract elements include:
- the risk that these 'context marker' abstract elements might not be visible in tagging tools, making it difficult for preparers to locate the correct elements.
 - the risk that changing the current IFRS Accounting Taxonomy architecture could affect preparers' and users' processes, require consultation before implementation and require additional maintenance.
 - the risk of introducing inconsistency between the IFRS Accounting Taxonomy and the IFRS Sustainability Disclosure Taxonomy—which does not include 'context marker' abstract elements—thereby creating structural and architectural differences between the two taxonomies.
 - the risk of introducing inconsistency in how IFRS 18 *Presentation and Disclosure in Financial Statements* is reflected in the Taxonomy because the modelling approach to narrative elements reflecting requirements in IFRS 18 was based on the revised narrative element policy. Therefore, similar abstract elements for IFRS 18 have not been created.
- 53 The Foundation rejected this alternative approach because, in its view, the disadvantages outweigh the potential advantages.

Other general improvements

- 54 As part of the review of narrative elements in the IFRS Accounting Taxonomy, the Foundation identified several additional general improvements, including:
- creating categorical elements under some narrative elements (paragraphs 55–56);
 - amending the documentation labels of some narrative elements (paragraph 57);
 - creating one text element (paragraph 58); and
 - changing element type of some elements (paragraph 59–61).

Creating categorical elements under some narrative elements

- 55 Categorical elements were first introduced as part of IFRS Accounting Taxonomy 2023—Update 2 *Common Practice for Financial Instruments, General Improvements and Technology Update*, published in March 2024, for narrative disclosure requirements that can be represented in a structured format. The update set out an approach for creating categorical elements for disclosure requirements that explicitly require a binary response or require disclosure of an option from a pre-determined list of items.
- 56 During the review of narrative elements, the Foundation identified three circumstances in which introducing a categorical element might be appropriate. Specifically, the Foundation proposes:
- to create an extensible enumeration element to reflect the requirement in paragraph 134(c) of IAS 36 *Impairment of Assets* (see Figure 7);
 - to create an extensible enumeration element to reflect the requirement in paragraph 39(b) of IAS 29 *Financial Reporting in Hyperinflationary Economies* (see Figure 8); and
 - to create a Boolean element to reflect the requirement in paragraph 82A of IAS 12 *Income Taxes* (see Figure 9).

Figure 7—Extract from IAS 36

IAS 36 <i>Impairment of Assets</i>			
...			
134	An entity shall disclose the information required by (a)–(f) for each cash-generating unit (group of units) for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated to that unit (group of units) is significant in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives:		
...			
	(c) the basis on which the unit's (group of units') recoverable amount has been determined (ie value in use or fair value less costs of disposal).		
Element label	ET	ER	Reference
Description of basis on which unit's recoverable amount has been determined	T	D	IAS 36.134(c), IFRS 19.254(c)
Basis on which unit's recoverable amount has been determined	EE	D	IAS 36.134(c), IFRS 19.254(c)

Figure 8—Extract from IAS 29

IAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>			
...			
39	The following disclosures shall be made:		
...			
	(b) whether the financial statements are based on a historical cost approach or a current cost approach; and		
Element label	ET	ER	Reference
Measurement basis of financial statements that have been restated for changes in general purchasing power of functional currency	EE	D	IAS 29.39(b)
...			

Figure 9—Extract from IAS 12

IAS 12 <i>Income Taxes</i>			
...			
82A	In the circumstances described in paragraph 52A, an entity shall disclose the nature of the potential income tax consequences that would result from the payment of dividends to its shareholders. In addition, the entity shall disclose the amounts of the potential income tax consequences practicably determinable and whether there are any potential income tax consequences not practicably determinable.		
Element label	ET	ER	Reference
Description of potential income tax consequences	T	D	IAS 12.82A
Potential income tax consequences not practicably determinable	B	D	IAS 12.82A

Amending the documentation labels of some narrative elements

57 Separately from the proposals on structuring of presentation linkbase for ‘note’ and ‘policy’ text block elements discussed earlier, the Foundation identified during the review that the documentation labels of some elements could be improved by including additional ‘contrast’ labels to show connections between elements, specifically those an element might be confused with or those that might be more appropriate. Table 10 illustrates the list of elements with their documentation labels amended.

Table 10—List of elements with documentation label amended

Element label	Documentation label
Country of incorporation of subsidiary	The country in which a subsidiary of the entity is incorporated. [Refer: Total for all subsidiaries [member]]. [Contrast: <u>Principal place of business of subsidiary</u>]
Country of incorporation of associate	The country in which an associate of the entity is incorporated. [Refer: Total for all associates [member]]. [Contrast: <u>Principal place of business of associate</u>]
Country of incorporation of joint operation	The country in which a joint operation of the entity is incorporated. [Refer: Total for all joint operations [member]]. [Contrast: <u>Principal place of business of joint operation</u>]
Country of incorporation of joint venture	The country in which a joint venture of the entity is incorporated. [Refer: Total for all joint ventures [member]]. [Contrast: <u>Principal place of business of joint venture</u>]

Creating one text element

58 Figure 10 illustrates that the Foundation proposes to create one text element for the requirement in paragraph 81(c)(i) and (ii) of IAS 12 relating to the basis on which the applicable tax rate is computed.

Figure 10—Extract from IAS 12

IAS 12 <i>Income Taxes</i>	
...	
81	The following shall also be disclosed separately:
...	
(c)	an explanation of the relationship between tax expense (income) and accounting profit in either or both of the following forms:
(i)	a numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate(s), disclosing also the basis on which the applicable tax rate(s) is (are) computed; or
(ii)	a numerical reconciliation between the average effective tax rate and the applicable tax rate, disclosing also the basis on which the applicable tax rate is computed;

continued...

...continued

Element label	ET	ER	Reference
Description of basis on which applicable tax rate is computed	T	D	IAS 12.81(c)(i), IAS 12.81(c)(ii)

Changing the element type of some elements

59 During the review of narrative elements, the Foundation identified that the element ‘Date of grant of share-based payment arrangement’ had been modelled as a text element. Because this information is inherently a date instead of a narrative description, the Foundation proposes to:

- (a) deprecate the text element ‘Date of grant of share-based payment arrangement’; and
- (b) create a new element with the same labels and an element type of ‘date’.

60 The Foundation also received feedback that the disclosures related to several elements that are currently text elements (which simply capture unformatted text) are frequently relatively complex and might be better supported by text block elements (which can capture formatted text, and potentially other HTML content such as images). Consequently, the Foundation proposes replacing five text elements with equivalent elements that are text blocks.

Table 11—List of elements changed from ‘text’ to ‘text block’

Text elements proposed to be deprecated	Text block elements proposed to be created ¹²
Explanation of nature and amount of changes in estimates of amounts reported in prior interim periods or prior financial years	Explanation of nature and amount of changes in estimates of amounts reported in prior interim periods or prior financial years [text block]
Explanation of management judgements in applying entity's accounting policies with significant effect on recognised amounts	Explanation of management judgements in applying entity's accounting policies with significant effect on recognised amounts [text block]
Description of nature and amount of change in estimate during final interim period	Disclosure of nature and amount of change in estimate during final interim period [text block]
Description of non-financial measures or estimates of physical quantities of biological assets and output of agricultural produce	Disclosure of non-financial measures or estimates of physical quantities of biological assets and output of agricultural produce [text block]
Description of reason why fair value of goods or services received cannot be reliably estimated	Disclosure of reason why fair value of goods or services received cannot be reliably estimated [text block]

61 The Foundation considered replacing all text elements with text block elements, which are arguably more flexible. However, the Foundation considered that the slightly greater complexity of text block items is unwarranted in some cases, and that there is some value to preparers in signalling that some disclosures are not expected to be complex and may simply be a single phrase or sentence. On balance, therefore, the Foundation proposes to retain text elements where appropriate to the anticipated disclosures.

¹² In the IFRS Accounting Taxonomy, as a style policy, labels starting ‘Disclosure of’ typically indicate text block elements, and labels starting ‘Description of’ typically indicate text elements (with the notable exception of accounting policy text blocks).

Appendix A—General policies for taxonomy modelling applied in this Taxonomy Update

A1 This appendix includes the Foundation’s general policies for taxonomy modelling applied in this Taxonomy Update, including:

- (a) addition of elements to reflect requirements in IFRS Accounting Standards (paragraphs A2–A12);
- (b) amendment of the properties of an element (paragraphs A13–A15); and
- (c) deprecation of elements (paragraphs A16–A17).

Addition of elements to reflect requirements in IFRS Accounting Standards

A2 As a general policy, elements are added for the presentation or disclosure requirements in new or amended IFRS Accounting Standards. This section describes the modelling policies related to:

- (a) text block elements (paragraphs A3–A9); and
- (b) categorical elements (paragraphs A10–A12).

Text block elements

A3 Text block elements can be used to reflect requirements to disclose information that do not specify the content, structure or format of those disclosures. Text block elements are typically used to tag disclosures of unstructured blocks of information, which might include, for example, numerical disclosures, narrative explanations, tables or graphs.

A4 Separate narrative elements (text or text block elements) are only created for disclosures that are expected to be:

- (a) *separately understandable* to users (that is, without typically needing to be considered along with other closely related disclosures before they can be understood and be useful); and
- (b) *readily identifiable* for tagging in general purpose financial reports (that is, not typically being commingled with the text of other disclosures or scattered across many locations in a report).

A5 Such elements are typically created at the most detailed level(s) at which both requirements are met.

A6 Additionally, text block elements are usually added for:

- (a) accounting policies that have a material effect on financial statements;
- (b) individual notes;
- (c) all disclosures reported in a table, which is tagged as a table text block; and
- (d) some disclosures of unstructured blocks of information that might contain narrative or unspecified quantitative information.

A7 Text block elements allow users of digital financial statements to extract and analyse large blocks of unstructured information. For example, a user could use the element ‘Disclosure of business combinations [text block]’ to search for the business combinations note in a set of digital financial statements.

Use of ‘table’ text block elements

A8 When the IFRS Accounting Standards require or imply a breakdown or repetition by a concept other than time-period or line items, which are handled as standard in XBRL, a dimensional table structure is modelled in the Taxonomy. A ‘table’ text block element is placed as the parent of the top abstract element of those dimensional structures.

A9 The ‘table’ text block element enables preparers to capture any additional information disclosed in a table that is excessively complex to capture via detailed dimensional tagging and provides an option where a filing regime does not to require tagging at that level of detail.

Categorical elements

What are categorical elements?

A10 Categorical elements allow preparers to tag standard responses from a list of options defined in the IFRS Accounting Taxonomy. The objective of adding categorical elements is to help users analyse narrative disclosures more efficiently. Categorical elements allow users to efficiently extract and analyse narrative information that can be provided in a structured format. The types of categorical elements introduced are:

- (a) Boolean elements (B)—for information that represents a choice between ‘true’ or ‘false’ (‘yes’ or ‘no’) options.
- (b) extensible enumeration elements (EE)—for information that represents a choice of a specified option or options from a discrete list of possible outcomes. There are two variants of extensible enumeration elements—set-valued extensible enumerations and single-valued extensible enumerations. Set-valued extensible enumerations allow an entity to choose multiple options from a specified list, whereas single-valued extensible enumerations allow an entity to choose only one option from a specified list. An entity can create entity-specific options as necessary.

General policies for categorical elements

- A11 The Foundation’s general policies for categorical elements in the IFRS Accounting Taxonomy are:
- (a) to add a Boolean element if a narrative disclosure can be appropriately standardised as either ‘true’ or ‘false’.
 - (b) to add an extensible enumeration element if an exhaustive list of options is provided in an IFRS Accounting Standard, for example a set of possible accounting policy choices (see paragraph A13).
 - (c) to add an extensible enumeration element if an exhaustive list of options is not provided in an IFRS Accounting Standard but the examples in that IFRS Accounting Standard illustrate information that would be useful for users if disclosed in a categorical format. In such cases, the list of options excludes the option ‘other’ to prevent users from making incorrect assumptions about the comparability of the information (specifically, if two entities would both use ‘other’ to tag a discrete piece of entity-specific information, this could convey to users that the information is comparable, which might not be the case).
 - (d) to use categorical elements nested within parent narrative elements. This approach helps preparers tag both categorical data and any related contextual information.
 - (e) to avoid the use of ‘true-only’ Boolean elements—that is, a variant of Boolean elements that only allows preparers to tag a value as ‘true’ (or ‘yes’) or omit the tag. Using such Boolean elements could lead to challenges if a jurisdiction decides to make using a categorical element mandatory but the related information is not explicitly required to be disclosed in paper-based financial statements, meaning that preparers might be unable to tag anything with such ‘true-only’ Boolean elements.
- A12 The Foundation’s general policy is to use extensible enumeration elements to reflect the disclosure of an entity’s accounting policy choices, arising from:
- (a) requirements in specific IFRS Accounting Standards for an entity to disclose its accounting policy choice. For example, paragraph 73(a) of IAS 16 requires an entity to disclose the measurement bases used for determining the gross carrying amount for each class of property, plant and equipment. Therefore, the Foundation added an extensible enumeration element to reflect this requirement, with a list of discrete options to reflect the measurement bases ‘Cost model’ and ‘Revaluation model’.
 - (b) the requirement for an entity to disclose material accounting policy information in the notes, in accordance with paragraph 27A of IAS 8. The Foundation tentatively plans to include extensible enumeration elements for this requirement as part of a future general improvements project.

Amendment of the properties of an element

- A13 When a new or amended IFRS Standard slightly changes the meaning or details of a requirement or concept, the Foundation can reflect this change in the Taxonomy by amending the properties (such as labels) of an element or by creating a new concept—specifically:
- (a) element properties are amended only when the fundamental meaning of the requirement or concept has not changed and when maintaining continuity and easy comparability in reported data over time provides more benefit to users than creating a new element would; and
 - (b) new elements are created and old elements are deprecated if the fundamental meaning of a concept has changed, leading to a risk of preparers and users inappropriately comparing information corresponding to the old and the new concept.
- A14 It is possible to change the standard label, documentation label, guidance label and references for a concept.
- A15 It is not possible to change the concept name, type, balance attribute or period attribute of an element. In these cases, the old concept should be deprecated, and a new concept should be created.

Deprecation of elements

- A16 As a general policy, if a presentation or disclosure requirement changes, the Foundation deprecates any related existing elements and adds new elements instead of changing the element labels of the existing elements.
- A17 The Foundation acknowledges that deprecation of elements creates issues for users wishing to build a continuous time series of an item (for example, of a specific subtotal). However, the Foundation's view is that users could be misled if preparers continue to use an element after the corresponding presentation or disclosure requirement changes, and for that reason it deprecates such elements.