



**IFRS<sup>®</sup>**

Accounting

August 2024

# **Proposed IFRS<sup>®</sup> Taxonomy Update**

IFRS<sup>®</sup> Accounting Taxonomy 2024—Update 2

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## ***Contracts for Renewable Electricity***

Comments to be received by 14 October 2024

# **IFRS<sup>®</sup> Accounting Taxonomy 2024**

## **Proposed Update 2**

### *Contracts for Renewable Electricity*

*Comments to be received by 14 October 2024*

IFRS<sup>®</sup> Accounting Taxonomy 2024—Proposed Update 2 *Contracts for Renewable Electricity* is published by the International Accounting Standards Board (IASB) for comment only. Comments need to be received by **14 October 2024** and should be submitted by email to [commentletters@ifrs.org](mailto:commentletters@ifrs.org) or online at <https://www.ifrs.org/projects/open-for-comment/>.

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## Introduction

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### Why is the IASB proposing changes to the IFRS® Accounting Taxonomy?

- IN1 The IASB is proposing changes to the IFRS Accounting Taxonomy to reflect the Exposure Draft *Contracts for Renewable Electricity*, which was published in May 2024.
- IN2 In accordance with the IFRS Foundation due process, a proposed IFRS Taxonomy update is published at the same time or shortly after a final Standard or an amendment is issued. Subject to feedback on the proposals in Exposure Draft *Contracts for Renewable Electricity*, the IASB aims to issue the amendment in the fourth quarter of 2024, and is exploring the possibility of setting an effective date of annual reporting periods beginning on or after 1 January 2025. Under normal due process, it is not possible to complete the steps of the taxonomy development process in time for the final Taxonomy update to be included in the IFRS Accounting Taxonomy 2025, published in March 2025.
- IN3 The consequence of not including these elements in the IFRS Accounting Taxonomy 2025 is that entities would need to create extension elements to capture the information disclosed in accordance with *Contracts for Renewable Electricity* for the first year in which the amendments could be effective. These extension elements are not comparable with other elements, can be difficult to understand and inefficient for users to work with. Superfluous use of such extension elements undermines the benefits of digital financial reporting.
- IN4 Therefore, to publish the Taxonomy Update in time for the IFRS Accounting Taxonomy 2025 in March 2025, the IASB obtained permission from the Due Process Oversight Committee to publish this Proposed IFRS Taxonomy Update based on the proposals in the Exposure Draft. The proposed amendments to IFRS Accounting Standards might change, and the proposals in this Proposed IFRS Taxonomy Update would change to reflect the amendments issued. However, it is unlikely that any changes to the proposed amendments to IFRS Accounting Standards would significantly change or increase the complexity of the Proposed Taxonomy Update.

### Exposure Draft *Contracts for Renewable Electricity*

- IN5 *Contracts for Renewable Electricity* proposes to amend IFRS 9 *Financial Instruments* for the 'own-use' and hedge accounting requirements for contracts for renewable electricity and to amend IFRS 7 *Financial Instruments: Disclosures* for disclosure requirements relating to contracts for renewable electricity. The Exposure Draft also proposes consequential amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures* to add disclosure requirements similar to those proposed for IFRS 7.
- IN6 The IASB proposes to create one new table and 14 new elements to reflect the proposed disclosure requirements in the Exposure Draft (paragraphs 1–7).

### Effective date of proposed changes to the Taxonomy

- IN7 Subject to feedback on the proposals in *Contracts for Renewable Electricity*, the IASB aims to issue the amendments in the fourth quarter of 2024 and is exploring the possibility of requiring entities to apply the amendments shortly after issuing the final amendments. The IASB will set an effective date for the amendments when it has obtained input about the time necessary to apply the amendments.
- IN8 The proposed new elements and proposed new documentation labels will have an effective date in the IFRS Accounting Taxonomy files that corresponds to the effective date of the requirements to which these elements and labels relate.

### Next steps

- IN9 The IASB will analyse comments received on this Proposed IFRS Taxonomy Update and make necessary amendments. Any changes to proposed disclosure requirements in *Contracts for Renewable Electricity* will be reflected using established taxonomy modelling policies. After approval by the IASB, an IFRS Taxonomy Update will be published.

## Invitation to comment

- IN10 The IASB invites comments on this Proposed IFRS 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 IASB should consider, if applicable.
- IN11 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—Adequate reflection of proposed disclosure requirements in *Contracts for Renewable Electricity*

Do the proposed changes to the IFRS Accounting Taxonomy adequately reflect the proposed disclosure requirements in *Contracts for Renewable Electricity*?

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

### Question 2—Appropriate use of element labels

Do the element labels proposed for the IFRS Accounting Taxonomy faithfully represent the meaning of the elements reflecting the proposed disclosure requirements in *Contracts for Renewable Electricity*?

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

### Question 3—Appropriate use of documentation labels

The table in Appendix D contains proposed documentation labels for the proposed new elements in the IFRS Accounting Taxonomy.

Do these proposed documentation labels correctly and clearly describe the accounting meaning of the elements reflecting the proposed disclosure requirements in *Contracts for Renewable Electricity*?

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

## Deadline

The IASB will consider all written comments received by 14 October 2024.

## How to comment

Please submit your comments electronically:

Online	<a href="https://www.ifrs.org/projects/open-for-comment/">https://www.ifrs.org/projects/open-for-comment/</a>
By email	<a href="mailto:commentletters@ifrs.org">commentletters@ifrs.org</a>
Survey	<a href="https://ifrs.qualtrics.com/jfe/form/SV_0CUwN9AmnYlq0HY">https://ifrs.qualtrics.com/jfe/form/SV_0CUwN9AmnYlq0HY</a>

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](mailto:commentletters@ifrs.org) before submitting your letter.

This document uses several abbreviations. 'ET' refers to element type and 'ER' to element reference type. Element type 'M' refers to monetary, 'DEC' to decimal, 'PER' to percent, 'TB' to text block, 'EN' to energy and 'MPE' to monetary per energy. Reference type 'D' refers to disclosure. 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.

## Proposed changes to the IFRS Accounting Taxonomy to reflect the proposed disclosure requirements in *Contracts for Renewable Electricity*

- 1 *Contracts for Renewable Electricity* proposes to amend IFRS 7 *Financial Instruments: Disclosures* to require an entity to disclose information that enables users of financial statements to understand how contracts for renewable electricity with specific characteristics affect the entity's financial performance and the amount, timing and uncertainty of its future cash flows.
- 2 To reflect the proposed disclosure requirements in *Contracts for Renewable Electricity*, the IASB proposes to create one new table and 14 new elements. For details of the changes to the IFRS Accounting Taxonomy, please refer to Appendix C and the proposed IFRS Taxonomy files that accompany this Proposed IFRS Taxonomy Update.
- 3 The IASB proposes to apply established taxonomy modelling policies (Appendix B) to reflect the proposed disclosure requirements in *Contracts for Renewable Electricity*. Specifically, the IASB proposes:
  - (a) to model separate text block elements for each of the paragraphs 42T–42V to reflect the separate disclosure objectives. An entity may disclose the information required by these paragraphs in different notes or parts of notes to the financial statements and different parts of the proposed requirements are applicable to different parties to a contract for renewable electricity. Accordingly, each text block element would reflect a separate narrative disclosure expected to be separately understandable to users of digital financial statements and readily identifiable for tagging.
  - (b) not to model a separate narrative element for the proposed requirement in paragraph 42V(d). In the IASB's view, the information captured by this element would be useful only if read with the related information on the volume of electricity purchased in the market and the average market price per unit of electricity (paragraphs 42V(b)–(c)). In such cases, the IASB expects the proposed element '*Disclosure of information on how contracts for renewable electricity affect purchaser's financial performance*' would capture all information disclosed in accordance with paragraph 42V and would be more useful to users of digital financial information. Additionally, the IASB has not proposed adding a categorical element to reflect this disclosure requirement, because paragraph 42V(d) does not require an entity to disclose, categorically, whether there is a substantial difference between the volume of electricity purchased in the market and the average market price per unit of electricity.
  - (c) to include new elements arising from the proposed disclosure requirements in the presentation group '[822390] Notes - Financial instruments', in accordance with the established modelling policy for organising elements into presentation groups.
- 4 The IASB is currently developing a proposed Taxonomy update to reflect the requirements in IFRS 19. Based on the expected modelling approach to reflect IFRS 19 requirements, the IASB proposes to add references to the related elements to reflect the proposed requirements in *Contracts for Renewable Electricity*.
- 5 In accordance with proposed paragraph 42T(b)(i), an entity may disclose the fair value of contracts for renewable electricity, accompanied by the information on the fair value required by paragraphs 93(g)–(h) of IFRS 13 *Fair Value Measurement*. The IASB proposes to reflect this requirement using a text block reflecting the fair value disclosure for these contracts for renewable electricity that are not measured at fair value through profit or loss.
- 6 The proposed disclosure requirements require disclosures of the volume of electricity—either expected to be sold or purchased over the remaining duration of the contracts, and/or actually purchased for the reporting period. The IFRS Sustainability Disclosure Taxonomy, issued in April 2024, includes an 'energy' element type that denotes the disclosure format representing an amount of energy. The IASB proposes to introduce this element type to the IFRS Accounting Taxonomy to reflect proposed disclosure requirements related to a volume of electricity.
- 7 The element type 'monetaryPerEnergy' in XBRL specifications denotes the price per energy unit. The IASB proposes to introduce this element type to the IFRS Accounting Taxonomy to reflect the proposed disclosure requirement related to average market price per unit of electricity purchased in the markets in which the entity purchased electricity.

### Transition for *Contracts for Renewable Electricity*

- 8 The IASB proposes that an entity is not required to restate prior periods to reflect the application of the proposed amendments in *Contracts for Renewable Electricity*. If an entity does not restate prior periods, it shall recognise the cumulative effect of the initial application of the proposed amendments as an adjustment to the opening balance of equity in the reporting period in which the entity first applies the proposed amendments (also referred to as the 'cumulative catch-up' transition approach).
- 9 The IFRS Accounting Taxonomy includes a mechanism to capture the effect of the cumulative catch-up approach to applying a new Standard or amendment. This approach uses two axes:
- (a) the 'Cumulative effect at date of initial application [axis]' and related members to reflect the opening balance of equity both before and after the cumulative catch-up adjustment, and the change in the opening balance resulting from applying the cumulative catch-up approach; and
  - (b) the 'Initially applied IFRSs [axis]' and related members to reflect the name of the new or amended IFRS Accounting Standard that gives rise to the adjustment to the opening balance of equity.
- 10 Entities may use this existing mechanism to tag information presented in accordance with the cumulative catch-up transition approach. The IASB proposes not to add a specific member to reflect the name of the amended IFRS Accounting Standard for the 'Initially applied IFRSs [axis]' because adding members for minor IFRS amendments would make this mechanism more complex to use and would be of little benefit to users of digital financial reports.

### Disclosure of the fact of early application

- 11 The IASB is consulting on the effective date for *Contracts for Renewable Electricity* and is exploring the possibility of setting an effective date of annual reporting periods beginning on or after 1 January 2025. Early application of the amendments is permitted. If an entity applies these amendments for an earlier period, it shall disclose that fact.
- 12 If the effective date for *Contracts for Renewable Electricity* is 1 January 2025, the IASB proposes to not model a separate element for the disclosure of fact of early application. Modelling the disclosure of the fact of early application would not be useful to preparers or users because the amendments would already be in effect before the proposed elements are included in the IFRS Accounting Taxonomy 2025.
- 13 If the effective date for *Contracts for Renewable Electricity* is set for a later date, for example 1 January 2026, the IASB proposes to reflect the disclosure of the fact of early application using established modelling policies (Appendix B).



## **Approval by the IASB of IFRS<sup>®</sup> Accounting Taxonomy 2024—Proposed Update 2 published in August 2024**

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IFRS<sup>®</sup> Accounting Taxonomy—Proposed Update 2 *Contracts for Renewable Electricity* was approved for publication by all 14 members of the International Accounting Standards Board.

Andreas Barckow

Chair

Linda Mezon-Hutter

Vice-Chair

Nick Anderson

Patrina Buchanan

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## Appendix A—Reading this Proposed IFRS® Taxonomy Update

- A1 This Proposed IFRS Taxonomy Update uses taxonomy-specific terminology. Table A1 contains brief explanations of the IFRS Accounting Taxonomy terms used elsewhere in this document.
- A2 In this document, changes to the IFRS Accounting Taxonomy elements are shown in tables. New elements are shaded in green. For amended element labels or references, added text is underlined and deleted text is struck through.<sup>1</sup> Unchanged elements, which are provided only for ease of reading and context, are shown in grey text. Indents are used to show a taxonomy presentation or calculation parent-child relationship between IFRS Accounting Taxonomy elements.
- A3 In this document, the element label shown is the standard label, unless otherwise indicated. For more information on element labels, see Table A1 and the ‘Element labels’ section in *Using the IFRS Taxonomy—A preparer’s guide*.
- A4 This document does not provide the full list of XBRL properties for the IFRS Accounting Taxonomy elements listed. For further information on the XBRL properties applied to an element, please see the *IFRS Taxonomy Illustrated* in Microsoft Excel and associated documentation.

**Table A1—IFRS Accounting Taxonomy content terminology**

Core content—IFRS Accounting Taxonomy elements	
<p>The IFRS Accounting Taxonomy contains elements that represent disclosures in financial statements prepared in accordance with IFRS Accounting Standards.</p> <p>These elements are described using:</p> <ul style="list-style-type: none"> <li>• <b>line items</b>—which represent the accounting concepts being reported. They can be either numerical, for example, ‘Assets’, ‘Property, plant and equipment’; or narrative, reflecting the figures and narrative reported, for example, ‘Description of accounting policy for government grants’.</li> <li>• <b>axes and members</b>—information categories and components that accounting concepts can be broken down into or reported by, for example, ‘Classes of property, plant and equipment’. Axes in the IFRS Accounting Taxonomy have a domain member that applies whenever a preparer does not combine a line item with a specific member to tag the value of a disclosure.</li> <li>• <b>tables</b>—logical groupings of IFRS Accounting Taxonomy axes, members and line items.</li> </ul>	<p>These IFRS Accounting Taxonomy <b>elements</b> have:</p> <ul style="list-style-type: none"> <li>• <b>element names</b> and <b>element identifiers</b>—unique computer tags used to identify and mark up the data.</li> <li>• <b>element standard labels</b>—human-readable names reflecting the accounting meaning of an element. Some elements have additional labels that provide more specific descriptions to show a total (total label), for example, or to distinguish between opening and closing balances (period start and end labels). Such additional labels do not alter the accounting meaning of the element but are used for displaying IFRS Accounting Taxonomy presentation relationships.</li> <li>• <b>element types (ET)</b>—categories of permitted data values, for example, text (T), text block (TB), monetary (M), decimal (DEC), percentage (PER), duration (DUR), energy (EN), Boolean (B) and monetary per energy (MPE). <ul style="list-style-type: none"> <li>• <b>text element</b> types are used for narrative disclosures. They are also used when IFRS Accounting Standards do not specify the details of a disclosure requirement, but a preparer is expected to express that disclosure requirement in a free-text format.</li> <li>• <b>text block element</b> types are used for a set of information that might include, for example, numerical disclosures, narrative explanations and tables.</li> </ul> </li> <li>• <b>element properties</b>, such as: <ul style="list-style-type: none"> <li>• the <b>period</b>—which indicates whether the element is expected to be reported for a period of time (duration) or at a particular point in time (instant); and</li> <li>• the <b>balance</b>—which indicates whether the element is generally expected to be reported as a credit or a debit.</li> </ul> </li> </ul>

<sup>1</sup> For simplicity, tables show only the references added or deleted because of the proposed amendments. No other references will be changed by the proposals.

<b>Supporting content—Documentation and references for IFRS Accounting Taxonomy elements</b>	
The IFRS Accounting Taxonomy provides supporting content explaining the <b>accounting meaning</b> of an element.	<p>This content includes:</p> <ul style="list-style-type: none"> <li>• <b>references</b>—which link an element to the authoritative literature, for example, IFRS 15 <i>Revenue from Contracts with Customers</i>.</li> <li>• <b>element reference types (ER)</b>—which define the source of an element, for example, disclosure (D), example (E) and common practice (CP).</li> <li>• <b>documentation labels</b>—which provide a textual definition of each element. The sources of these definitions are the IFRS Accounting Standards and their accompanying materials, when available.</li> <li>• <b>guidance labels</b>—which are implementation notes that help preparers to correctly use IFRS Accounting Taxonomy elements in an electronic report.</li> </ul>
<b>Supporting content—Relationships between IFRS Accounting Taxonomy elements (linkbases)</b>	
The IFRS Accounting Taxonomy calculation linkbase explains how <b>elements</b> may relate <b>mathematically</b> to each other.	<p>For example, this content includes:</p> <ul style="list-style-type: none"> <li>• <b>summations</b> of elements to a total or subtotal; and</li> <li>• <b>formulas</b> to show that an element is a ratio of other taxonomy elements.</li> </ul>
The IFRS Accounting Taxonomy uses the presentation linkbase to provide <b>presentation views</b> under which the line items, axes and members (or a combination of those as tables) have been grouped. This supports <b>human-readable</b> viewing and navigation of the IFRS Accounting Taxonomy.	<p>The IFRS Accounting Taxonomy has specific <b>presentation</b> elements:</p> <ul style="list-style-type: none"> <li>• <b>headings</b> (abstract elements); and</li> <li>• <b>presentation groups</b>.</li> </ul> <p>These elements are not used when tagging financial statements. These headings and presentation groups also have standard <b>labels</b>.</p>
The IFRS Accounting Taxonomy uses the definition linkbase to provide <b>views</b> under which the combined line items, axes and members ( <b>tables</b> ) have been grouped. This supports <b>computer-readable</b> use of the IFRS Accounting Taxonomy.	<p>For example, the content includes:</p> <ul style="list-style-type: none"> <li>• a <b>definition</b> for each table; and</li> <li>• a <b>domain member</b> for each axis.</li> </ul>

## Guidance materials

- A5 The IFRS Foundation has published three guides about using the IFRS Taxonomy:
- Guide to Understanding the IFRS Taxonomy Update* to provide an introduction to the IFRS Taxonomy and to explain the terms used to describe its content;
  - Using the IFRS Taxonomy – A preparer’s guide* to help preparers understand the content of the IFRS Taxonomy; and
  - Using the IFRS Taxonomy – A regulator’s guide* to help regulators and other organisations with the adoption and use of the IFRS Accounting Taxonomy files and content within an electronic filing system.
- A6 The IFRS Foundation also publishes tagged illustrative examples to show how the IFRS Accounting Taxonomy is used. These examples include tagged presentations and disclosures that reflect requirements in IFRS Accounting Standards, using IFRS Accounting Taxonomy elements and the XBRL<sup>®</sup> syntax.

- A7 Some elements in the IFRS Accounting Taxonomy also include ‘guidance labels’ to guide preparers on how to use the elements. For every change in the IFRS Accounting Taxonomy, the rationale for the change and the intended use of the changed or new elements is explained in the corresponding IFRS Taxonomy Update.
- A8 The IFRS Foundation encourages preparers to make effective use of the available guidance and will provide more guidance on using elements in these guidance materials.

## Appendix B—General policies for taxonomy modelling and the publication of guidance

B1 This Appendix describes the IFRS Foundation’s general policies for taxonomy modelling and the publication of guidance, specifically its policies for:

- (a) assigning elements to presentation groups (paragraphs B2–B3);
- (b) adding text block elements (paragraphs B4–B7); and
- (c) adding categorical elements (paragraphs B8–B9).

### Assigning elements to presentation groups

B2 As a general policy for the IFRS Accounting Taxonomy, elements are included in the presentation group based on the IFRS Accounting Standard to which they relate. For example, the elements ‘Foreign exchange gain’ and ‘Foreign exchange loss’ are included in the presentation group ‘[842000] Notes - Effects of changes in foreign exchange rates’. This practice allows preparers and users to find all elements relating to disclosures required by a specific Accounting Standard in a distinct location.

B3 In addition to presentation groups that reflect the respective IFRS Accounting Standards, the IFRS Accounting Taxonomy also groups elements into presentation groups based on the primary financial statements in which those concepts might be presented. This practice helps preparers and users navigate the IFRS Accounting Taxonomy. For example, elements that the IFRS Foundation reasonably expects entities to use to tag items presented in the statement of profit or loss are included in the presentation groups ‘[310000] Statement of comprehensive income, profit or loss, by function of expense’ and ‘[320000] Statement of comprehensive income, profit or loss, by nature of expense’.

### Adding text block elements

B4 Text block elements can be used to reflect requirements to disclose qualitative or quantitative 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, numeric disclosures, narrative explanations, tables or graphs.

B5 Text block elements are usually added for:

- (a) accounting policies that have a material effect on the financial statements;
- (b) individual notes;
- (c) all disclosures presented in a table, referred to as a table text block; and
- (d) some disclosures of unstructured blocks of information that may contain narrative and/or quantitative information.

B6 In general, a distinct text block element is added for each narrative disclosure expected to be separately understandable to users of digital financial statements and readily identifiable for tagging—provided that tagging the information would not involve excessive cost for preparers.

B7 Text block elements allow users of digital financial statements to extract and analyse large blocks of unstructured information. For example, users could use the element ‘Disclosure of business combinations [text block]’ to search for the entire note on business combinations in a set of digital financial statements.

### Adding categorical elements

#### What are categorical elements?

B8 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 of digital financial statements analyse narrative disclosures more efficiently than would otherwise be possible. 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—these allow an entity to choose between ‘true’ or ‘false’ (‘yes’ or ‘no’) options.
- (b) extensible enumeration elements—these allow an entity to choose a specified option or options from a discrete list of possible outcomes (and create entity-specific options if necessary). Two variants of extensible enumeration elements are available:

- (i) set-valued extensible enumerations that allow an entity to choose multiple options from a specified list; and
- (ii) single-valued extensible enumerations that allow an entity to choose only one option from a specified list.

### **General policies for categorical elements**

B9 The IFRS Foundation’s general policies for categorical elements in the IFRS Accounting Taxonomy are:

- (a) to add a Boolean element if narrative disclosures 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 Accounting Standard—for example, the disclosure of an entity’s accounting policy choice.
- (c) to add an extensible enumeration element if an exhaustive list of options is not provided in an Accounting Standard but the examples accompanying that Standard illustrate information that would be useful for users of digital financial statements if disclosed in a categorical format. In such cases, the list of options excludes the option ‘other’ to avoid false assumptions about the comparability of the information. (If two entities used ‘other’ to tag discrete pieces of entity-specific information, that information would not be comparable. Excluding this option avoids the risk of entity-specific information being mistaken for comparable information.)
- (d) to use categorical elements alongside 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 allows preparers to tag a value only as ‘true’ (or ‘yes’) or omit the tag. Using such Boolean elements could lead to problems if jurisdictions decide to make using a categorical element mandatory even if the related information is not explicitly required to be disclosed in the paper-based disclosure.

**Appendix C—Proposed taxonomy modelling for *Contracts for Renewable Electricity***

C1 Appendix C shows the proposed taxonomy modelling to reflect the proposed disclosure requirements in *Contracts for Renewable Electricity*.

**Contracts for renewable electricity**

42T An entity that is a party to contracts for renewable electricity (that have the characteristics in paragraph 6.10.1 of IFRS 9) shall disclose information that enables users of financial statements to understand how these contracts affect the amount, timing and uncertainty of the entity's future cash flows. Specifically, an entity shall disclose:

Element label	ET	ER	Reference
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Disclosure of information on how contracts for renewable electricity affect amount, timing and uncertainty of entity's future cash flows	TB	D	IFRS 7.42T, IFRS 19.67A
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(a) the terms and conditions of the contracts. Examples of terms and conditions include the remaining contract duration, the type of pricing (including the reference market and whether the contracts include price adjustment clauses), minimum or maximum volume, cancellation clauses and whether the contracts include renewable energy certificates (or similar attributes).

Element label	ET	ER	Reference
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Disclosure of terms and conditions of contracts for renewable electricity	TB	D	IFRS 7.42T(a), IFRS 19.67A(a)
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(b) for contracts for renewable electricity that are not measured at fair value through profit or loss, either:

(i) the fair value of the contracts at the reporting date, accompanied by the information required by paragraphs 93(g)–(h) of IFRS 13; or

Element label	ET	ER	Reference
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Fair value of contracts for renewable electricity not measured at fair value through profit or loss	M	D	IFRS 7.42T(b)(i), IFRS 19.67A(b)(i)
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Disclosure of information about valuation processes used in fair value measurement and sensitivity of fair value measurement to changes in unobservable inputs, contracts for renewable electricity not measured at fair value through profit or loss	TB	D	IFRS 7.42T(b)(i)
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- (ii) the volume of renewable electricity a seller under the contracts expects to sell or a purchaser under the contracts expects to purchase over the remaining duration of the contracts. An entity is permitted to provide this information as a range for each of these periods: not later than one year; later than one year and not later than five years; and later than five years. An entity shall also disclose the methods and assumptions the entity used in preparing the information, any changes in those methods and assumptions since the previous reporting period, and the reasons for such changes.

Element label	ET	ER	Reference
<b>Table text block</b>			
Disclosure of information about volume of renewable electricity expected to be sold or purchased	TB	D	IFRS 7.42T(b)(ii), IFRS 19.67A(b)(ii)
<b>Axis and members</b>			
Maturity (A)		D	IFRS 7.42T(b)(ii), IFRS 19.67A(b)(ii)
Maturity (DM)		D	IFRS 7.42T(b)(ii), IFRS 19.67A(b)(ii)
Not later than one year (M)		D	IFRS 7.42T(b)(ii), IFRS 19.67A(b)(ii)
Later than one year and not later than five years (M)		D	IFRS 7.42T(b)(ii), IFRS 19.67A(b)(ii)
Later than five years (M)		D	IFRS 7.42T(b)(ii), IFRS 19.67A(b)(ii)
<b>Line-item elements</b>			
Volume of renewable electricity expected to be sold	EN	D	IFRS 7.42T(b)(ii), IFRS 19.67A(b)(ii)
Volume of renewable electricity expected to be purchased	EN	D	IFRS 7.42T(b)(ii), IFRS 19.67A(b)(ii)
Disclosure of information about methods and assumptions used in preparing expected volume of renewable electricity	TB	D	IFRS 7.42T(b)(ii), IFRS 19.67A(b)(ii)

- 42U If an entity is a seller under contracts for renewable electricity (that have the characteristics in paragraph 6.10.1 of IFRS 9), the entity shall disclose information that enables users of financial statements to understand how these contracts affect the entity's financial performance for the reporting period. Specifically, an entity shall disclose the proportion of renewable electricity covered by the contracts to the total electricity sold for the reporting period.

Element label	ET	ER	Reference
Disclosure of information on how contracts for renewable electricity affect entity's financial performance, when entity is seller of renewable electricity	TB	D	IFRS 7.42U, IFRS 19.67B
Proportion of renewable electricity covered by contracts for renewable electricity to total electricity sold	PER	D	IFRS 7.42U, IFRS 19.67B

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- 42V If an entity is a purchaser under contracts for renewable electricity (that have the characteristics in paragraph 6.10.1 of IFRS 9), the entity shall disclose information that enables users of financial statements to understand how these contracts affect the entity's financial performance for the reporting period. Specifically, an entity shall disclose for the reporting period:

Element label	ET	ER	Reference
Disclosure of information on how contracts for renewable electricity affect entity's financial performance, when entity is purchaser of renewable electricity	TB	D	IFRS 7.42V, IFRS 19.67C

- (a) the proportion of renewable electricity covered by the contracts to the total net volume of electricity purchased;

Element label	ET	ER	Reference
Proportion of renewable electricity covered by contracts for renewable electricity to total electricity purchased	PER	D	IFRS 7.42V(a), IFRS 19.67C(a)

- (b) the total net volume of electricity purchased – irrespective of the source of production;

Element label	ET	ER	Reference
Net volume of electricity purchased in market, total	EN	D	IFRS 7.42V(b), IFRS 19.67C(b)

- (c) the average market price per unit of electricity in the markets in which the entity purchased electricity; and

Element label	ET	ER	Reference
Average market price per unit of electricity purchased in market	MPE	D	IFRS 7.42V(c), IFRS 19.67C(c)

- (d) if (b) multiplied by (c) differs substantially from the actual total cost incurred by the entity to purchase the volume of electricity in (b), a qualitative explanation of the key reasons for this difference.

**Appendix D—Proposed documentation labels for new elements**

D1 The IFRS Accounting Taxonomy includes documentation labels for elements in the IFRS Accounting Taxonomy. Documentation labels describe in text the accounting meaning of each element. This Appendix shows the documentation labels for proposed new elements.

**Contracts for Renewable Electricity (paragraphs 1–7)**

Element label	Documentation label	ER	Reference
Disclosure of information on how contracts for renewable electricity affect amount, timing and uncertainty of entity's future cash flows	The disclosure of information that enables users of financial statements to understand how contracts for renewable electricity affect the amount, timing and uncertainty of the entity's future cash flows.	D	IFRS 7.42T, IFRS 19.67A
Disclosure of terms and conditions of contracts for renewable electricity	The disclosure of the terms and conditions of contracts for renewable electricity. Examples of terms and conditions include the remaining contract duration, the type of pricing (including the reference market and whether the contracts include price adjustment clauses), minimum or maximum volume, cancellation clauses and whether the contracts include renewable energy certificates (or similar attributes).	D	IFRS 7.42T(a), IFRS 19.67A(a)
Fair value of contracts for renewable electricity not measured at fair value through profit or loss	The amount of fair value of contracts for renewable electricity that are not measured at fair value through profit or loss.	D	IFRS 7.42T(b)(i), IFRS 19.67A(b)(i)
Disclosure of information about valuation processes used in fair value measurement and sensitivity of fair value measurement to changes in unobservable inputs, contracts for renewable electricity not measured at fair value through profit or loss	The disclosure of the valuation processes used by the entity to calculate the fair value of contracts for renewable electricity that are not measured at fair value through profit or loss (including, for example, how an entity decides its valuation policies and procedures and analyses changes in fair value measurements from period to period) and a description of the sensitivity of the fair value measurement to changes in unobservable inputs, as required by paragraphs 93(g)–(h) of IFRS 13.	D	IFRS 7.42(b)(i)
Disclosure of information about volume of renewable electricity expected to be sold or purchased	The disclosure of the volume of renewable electricity a seller under the contracts expects to sell or a purchaser under the contracts expects to purchase over the remaining duration of the contracts.	D	IFRS 7.42T(b)(ii), IFRS 19.67A(b)(ii)
Volume of renewable electricity expected to be sold	The volume of renewable electricity a seller under contracts for renewable electricity expects to sell over the remaining duration of the contracts.	D	IFRS 7.42T(b)(ii), IFRS 19.67A(b)(ii)
Volume of renewable electricity expected to be purchased	The volume of renewable electricity a purchaser under contracts for renewable electricity expects to purchase over the remaining duration of the contracts.	D	IFRS 7.42T(b)(ii), IFRS 19.67A(b)(ii)
Disclosure of information about methods and assumptions used in preparing expected volume of renewable electricity	The disclosure of the methods and assumptions the entity used in preparing the expected volumes of renewable electricity, any changes in those methods and assumptions since the previous reporting period, and the reasons for such changes.	D	IFRS 7.42T(b)(ii), IFRS 19.67A(b)(ii)
Disclosure of information on how contracts for renewable electricity affect entity's financial performance, when entity is seller of renewable electricity	The disclosure of information that enables users of financial statements to understand how contracts for renewable electricity affect the entity's financial performance for the reporting period, when the entity is a seller under these contracts.	D	IFRS 7.42U, IFRS 19.67B

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<b>Element label</b>	<b>Documentation label</b>	<b>ER</b>	<b>Reference</b>
Proportion of renewable electricity covered by contracts for renewable electricity to total electricity sold	The proportion of renewable electricity covered by contracts for renewable electricity to the total electricity sold for the reporting period, percentage.	D	IFRS 7.42U, IFRS 19.67B
Disclosure of information on how contracts for renewable electricity affect entity's financial performance, when entity is purchaser of renewable electricity	The disclosure of information that enables users of financial statements to understand how contracts for renewable electricity affect the entity's financial performance for the reporting period, when the entity is a purchaser under these contracts.	D	IFRS 7.42V, IFRS 19.67C
Proportion of renewable electricity covered by contracts for renewable electricity to total electricity purchased	The proportion of renewable electricity covered by contracts for renewable electricity to the total net volume of electricity purchased for the reporting period, percentage.	D	IFRS 7.42V(a), IFRS 19.67C(a)
Net volume of electricity purchased in market, total	The total net volume of electricity purchased, irrespective of the source of production, for the reporting period.	D	IFRS 7.42V(b), IFRS 19.67C(b)
Average market price per unit of electricity purchased in market	The average market price per unit of electricity in the markets in which the entity purchased electricity, for the reporting period.	D	IFRS 7.42V(c), IFRS 19.67C(c)