

December 2020

IFRS[®] Taxonomy Update

IFRS Taxonomy 2020

Interest Rate Benchmark Reform—Phase 2
Amendments to IFRS 9, IAS 39, IFRS 7,
IFRS 4 and IFRS 16

IASB[®]

 IFRS[®]

IFRS[®] Taxonomy 2020

Update 2

Interest Rate Benchmark Reform – Phase 2

**Amendments to IFRS 9, IAS 39, IFRS 7,
IFRS 4 and IFRS 16**

IFRS® Taxonomy 2020 – Update 2 *Interest Rate Benchmark Reform – Phase 2* is issued by the International Accounting Standards Board (Board).

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Overview of the changes to the IFRS Taxonomy

Introduction

In August 2020 the International Accounting Standards Board (Board) issued *Interest Rate Benchmark Reform—Phase 2* (the amendments), which amended IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement*, IFRS 7 *Financial Instruments: Disclosures*, IFRS 4 *Insurance Contracts* and IFRS 16 *Leases*. The amendments added disclosure requirements to IFRS 7 to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. Earlier application of the amendments is permitted. If an entity applies these amendments early, it shall disclose that fact.

To reflect the amended disclosure requirements, the Board added elements and a table to the IFRS Taxonomy, as described in paragraphs 3–8.

Reading this update

This document uses taxonomy-specific terminology. For more information, please refer to the *Guide to Understanding the IFRS Taxonomy Update* and *Using the IFRS Taxonomy—A preparer's guide*.¹ Appendix A briefly explains IFRS Taxonomy terms used in this document.

In this IFRS Taxonomy Update, changes to IFRS Taxonomy elements are shown in tables.

New elements are shaded in green. Elements provided for context only (that is, to which no changes have been made) are set out in grey text.

Indents are used to indicate a parent-child relationship between IFRS Taxonomy elements.

XBRL properties

This document does not provide the full list of XBRL properties for the IFRS Taxonomy elements listed. For further information on the XBRL properties applied to an element, please see the IFRS Taxonomy files and associated documentation.

Documentation labels

The IFRS Taxonomy includes documentation labels for elements in the IFRS Taxonomy. Documentation labels describe in text the accounting meaning of each element.

Documentation labels have been included in Appendix B for new elements. The documentation labels are also available as an additional linkbase in the IFRS Taxonomy files and as a separate spreadsheet.

¹ *Guide to Understanding the IFRS Taxonomy Update* is available at <https://www.ifrs.org/-/media/feature/standards/taxonomy/general-resources/understanding-ifrs-taxonomy-update.pdf>. *Using the IFRS Taxonomy—A preparer's guide* is available at <https://www.ifrs.org/-/media/feature/resources-for-preparers/xbrl-using-the-ifrs-taxonomy-a-preparers-guide-january-2019.pdf>.

IFRS Taxonomy version

The IFRS Taxonomy files for this update are based on IFRS Taxonomy 2020 Update 1—*Covid-19-Related Rent Concessions*, issued in August 2020.

This document uses several acronyms. 'ET' refers to element type and 'ER' to element reference type. Element type 'T' refers to text and 'TB' to text block. Reference type 'D' refers to disclosure. A short code appended to labels is used to indicate axes and members: '[A]' indicates an axis, '[M]' a member, and '[DM]' indicates the default member of the axis.

Disclosure requirements introduced by *Interest Rate Benchmark Reform—Phase 2*

New disclosure requirements in IFRS 7

1 IFRS 7, as amended in August 2020, introduced the following disclosure requirements related to interest rate benchmark reform:

24I To enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy, an entity shall disclose information about:

- (a) the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform, and how the entity manages these risks; and
- (b) the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition.

24J To meet the objectives in paragraph 24I, an entity shall disclose:

- (a) how the entity is managing the transition to alternative benchmark rates, its progress at the reporting date and the risks to which it is exposed arising from financial instruments because of the transition;
- (b) disaggregated by significant interest rate benchmark subject to interest rate benchmark reform, quantitative information about financial instruments that have yet to transition to an alternative benchmark rate as at the end of the reporting period, showing separately:
 - (i) non-derivative financial assets;
 - (ii) non-derivative financial liabilities; and
 - (iii) derivatives; and
- (c) if the risks identified in paragraph 24J(a) have resulted in changes to an entity's risk management strategy (see paragraph 22A), a description of these changes.

- 2 Consequently, the Board added elements to the presentation group [822390] Notes - Financial instruments.

New elements

- 3 So that the IFRS Taxonomy reflects the disclosure requirements described in paragraphs 24J(a) and 24J(c) of IFRS 7, the Board added three text block elements:

Element label	ET	ER	Reference
Disclosure of information about effect of interest rate benchmark reform on entity's financial instruments and risk management strategy	TB	D	IFRS 7.24I, IFRS 7.24J
Disclosure of how entity is managing transition to alternative benchmark rates, its progress at reporting date and risks to which it is exposed arising from financial instruments because of transition	TB	D	IFRS 7.24J(a)
Description of changes to entity's risk management strategy arising from entity's exposure to financial instruments subject to interest rate benchmark reform	TB	D	IFRS 7.24J(c)

New table

- 4 So that the IFRS Taxonomy reflects the disclosure requirements described in paragraph 24J(b) of IFRS 7, the Board added a table:

Table text block

Element label	ET	ER	Reference
Disclosure of quantitative information about financial instruments that have yet to transition to alternative benchmark rate	TB	D	IFRS 7.24J(b)

Line items

Element label	ET	ER	Reference
Quantitative information about non-derivative financial assets that have yet to transition to alternative benchmark rate	TB	D	IFRS 7.24J(b)(i)
Quantitative information about non-derivative financial liabilities that have yet to transition to alternative benchmark rate	TB	D	IFRS 7.24J(b)(ii)
Quantitative information about derivatives that have yet to transition to alternative benchmark rate	TB	D	IFRS 7.24J(b)(iii)

Axis and members

- 5 An entity is required to disaggregate the quantitative information required by paragraph 24J(b) by significant interest rate benchmark subject to interest rate benchmark reform. To enable the reporting of this disaggregation, the Board added an axis, a default member and a member to the IFRS Taxonomy. The Board did not list all the types of interest rate benchmarks under this axis, because the Board decided doing so to be outside the scope of the IFRS Taxonomy. Consequently, preparers will need to add extension members under the new member ‘Significant interest rate benchmarks subject to interest rate benchmark reform’ for the significant interest rate benchmarks reported in their financial statements.

Element label	ER	Reference
Interest rate benchmarks (A)	D	IFRS 7.24J(b)
Interest rate benchmarks (DM)	D	IFRS 7.24J(b)
Significant interest rate benchmarks subject to interest rate benchmark reform (M)	D	IFRS 7.24J(b)

Effective date of the amendments and disclosure of fact of early application

- 6 The amendments apply to annual periods beginning on or after 1 January 2021. Earlier application of the amendments, and therefore earlier use of the new IFRS Taxonomy elements, is permitted. If an entity applies these amendments for an earlier period, it shall disclose that fact.
- 7 Many new or amended IFRS Standards permit early application and require an entity to disclose the fact of early application. The IFRS Taxonomy does not include a specific element for this disclosure requirement.
- 8 Consequently, one line item and one member element in the table ‘Disclosure of initial application of standards or interpretations’ are added to the presentation group [811000] Notes - Accounting policies, changes in accounting estimates and errors. An entity can combine this new line item and member to tag the disclosure of the fact of early application of the *Interest Rate Benchmark Reform – Phase 2* amendments.

Line items

Element label	ET	ER	Reference
Description of transitional provisions of initially applied IFRS that might have effect on future periods	T	D	IAS 8.28(e)
Description of fact that new or amended IFRS Standard is applied early	T	D	IFRS 9.7.1.10, IAS 39.108H, IFRS 4.50, IFRS 16.C1B

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Axis and members

Element label	ER	Reference
Initially applied IFRSs (A)	D	IAS 8.28
Initially applied IFRSs (DM)	D	IAS 8.28
Interest rate benchmark reform phase 2 (M)	D	IFRS 9.7.1.10, IAS 39.108H, IFRS 4.50, IFRS 16.C1B

- 9 The Board intends to add member elements to the annual IFRS Taxonomy for all new IFRS Standards and amendments to IFRS Standards that permit early application and require disclosure of the fact of early application.

**Approval by the Board of IFRS Taxonomy Update
Interest Rate Benchmark Reform—Phase 2 issued in December
2020**

IFRS Taxonomy Update *Interest Rate Benchmark Reform—Phase 2* was approved for issue by 12 of 13 members of the International Accounting Standards Board (Board). Mr Mackenzie abstained in view of his recent appointment to the Board.

Hans Hoogervorst Chairman

Suzanne Lloyd Vice-Chair

Nick Anderson

Tadeu Cendon

Martin Edelmann

Françoise Flores

Zach Gast

Jianqiao Lu

Bruce Mackenzie

Thomas Scott

Rika Suzuki

Ann Tarca

Mary Tokar

Appendix A—IFRS Taxonomy content terminology

The table in this appendix briefly explains the IFRS Taxonomy terms used in this document.

Core content—IFRS Taxonomy elements	
<p>The IFRS Taxonomy contains elements that represent disclosures in financial statements prepared applying IFRS Standards.</p> <p>These elements are described using:</p> <ul style="list-style-type: none"> • line items—which represent the accounting concepts being reported. They can be either numerical or narrative, reflecting the figures and narrative reported, for example, ‘Assets’, ‘Property, plant and equipment’ and ‘Description of accounting policy for government grants’. • axes and members—information categories and components that accounting concepts can be broken down into or reported by, for example, ‘Classes of property, plant and equipment’. • axis and default member—all axes in the IFRS Taxonomy have a default member that applies whenever a preparer does not combine a line item with a specific member to tag the value of a disclosure. • tables—logical groupings of IFRS Taxonomy axes, members and line items. 	<p>These IFRS Taxonomy elements have:</p> <ul style="list-style-type: none"> • element names and element identifiers—unique computer tags used to identify and mark up the data. • element standard labels—human-readable names reflecting the accounting meaning of an element. Some elements have additional labels that provide more specific descriptions, for example, to indicate a total (total label) 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 Taxonomy presentation relationships. • element types (ET)—categories of permitted data values, for example, text (T), text block (TB), monetary (M), decimal (DEC), percentage (PER) and duration (DUR). <ul style="list-style-type: none"> • text element types are used for narrative disclosure. They are also used when IFRS Standards do not specify the details of a disclosure requirement, but that disclosure requirement is expected to be expressed in a free-text format by a preparer. • text block element types are used for a set of information which may include, for example, numeric disclosures, narrative explanations and tables.

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Core content—IFRS Taxonomy elements	
	<ul style="list-style-type: none"> • element properties, such as: <ul style="list-style-type: none"> • the period—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 • the balance—which indicates whether the element is generally expected to be reported as a credit or a debit.
Supporting content—documentation and references for IFRS Taxonomy elements	
<p>The IFRS Taxonomy provides supporting content explaining the accounting meaning of an element.</p>	<p>This content includes:</p> <ul style="list-style-type: none"> • references—which link an element to the authoritative literature, for example, IFRS 15 <i>Revenue from Contracts with Customers</i>. • element reference types (ER)—which define the source of an element, for example, disclosure (D), example (E) and common practice (CP). • documentation labels—which provide a textual definition of each element. The sources of these definitions are the IFRS Standards and their accompanying materials, when available.

Supporting content—relationships between IFRS Taxonomy elements (linkbases)	
<p>The IFRS Taxonomy calculation linkbase explains how elements may relate mathematically to each other.</p>	<p>For example, this content includes:</p> <ul style="list-style-type: none"> • summations of elements to a total or subtotal; and • formulas to indicate that an element is a ratio of other taxonomy elements.
<p>The IFRS Taxonomy uses the presentation linkbase to provide presentation views under which the line items, axes and members (or a combination of those elements as tables) have been grouped. These presentation views enable human-readable viewing and navigation of the IFRS Taxonomy.</p>	<p>The IFRS Taxonomy has specific presentation elements:</p> <ul style="list-style-type: none"> • headings (abstract elements); and • presentation groups. <p>These elements are not used when tagging financial statements. These headings and presentation groups also have standard labels.</p>
<p>The IFRS Taxonomy uses the definition linkbase to provide views under which the combined line items, axes and members (tables) have been grouped. These views enable the computer-readable use of the IFRS Taxonomy.</p>	<p>For example, the content includes:</p> <ul style="list-style-type: none"> • a definition for each table; and • a default member for each axis.

Appendix B—Documentation labels for new elements

The table below includes the documentation labels for the new elements.

Element label	Documentation label	ER	Reference
Disclosure of information about effect of interest rate benchmark reform on entity's financial instruments and risk management strategy	The disclosure of information about the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.	D	IFRS 7.24I, IFRS 7.24J
Disclosure of how entity is managing transition to alternative benchmark rates, its progress at reporting date and risks to which it is exposed arising from financial instruments because of transition	The disclosure of how the entity is managing the transition to alternative benchmark rates, its progress at the reporting date and the risks to which it is exposed arising from financial instruments because of the transition.	D	IFRS 7.24J(a)
Description of changes to entity's risk management strategy arising from entity's exposure to financial instruments subject to interest rate benchmark reform	The description of changes to an entity's risk management strategy arising from the entity's exposure to financial instruments subject to interest rate benchmark reform.	D	IFRS 7.24J(c)
Disclosure of quantitative information about financial instruments that have yet to transition to alternative benchmark rate	The disclosure of quantitative information about financial instruments that have yet to transition to an alternative benchmark rate.	D	IFRS 7.24J(b)
Quantitative information about non-derivative financial assets that have yet to transition to alternative benchmark rate	The quantitative information about non-derivative financial assets that have yet to transition to an alternative benchmark rate.	D	IFRS 7.24J(b)(i)
Quantitative information about non-derivative financial liabilities that have yet to transition to alternative benchmark rate	The quantitative information about non-derivative financial liabilities that have yet to transition to an alternative benchmark rate.	D	IFRS 7.24J(b)(ii)
Quantitative information about derivatives that have yet to transition to alternative benchmark rate	The quantitative information about derivatives that have yet to transition to an alternative benchmark rate.	D	IFRS 7.24J(b)(iii)

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Element label	Documentation label	ER	Reference
Interest rate benchmarks (A)	The axis of a table defines the relationship between the domain members or categories in the table and the line items or concepts that complete the table.	D	IFRS 7.24J(b)
Interest rate benchmarks (DM)	This member stands for all interest rate benchmarks. It also represents the standard value for the 'Interest rate benchmarks' axis if no other member is used.	D	IFRS 7.24J(b)
Significant interest rate benchmarks subject to interest rate benchmark reform (M)	This member stands for all significant interest rate benchmarks that are subject to interest rate benchmark reform.	D	IFRS 7.24J(b)
Description of fact that new or amended IFRS Standard is applied early	The description of the fact that a new or amended IFRS Standard is applied earlier than its effective date.	D	IFRS 9.7.1.10, IAS 39.108H, IFRS 4.50, IFRS 16.C1B
Interest rate benchmark reform phase 2 (M)	This member stands for Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) issued in August 2020.	D	IFRS 9.7.1.10, IAS 39.108H, IFRS 4.50, IFRS 16.C1B