December 2021

IFRS Taxonomy 2021

Proposed Update 3

Initial Application of IFRS 17 and IFRS 9—Comparative Information

Amendment to IFRS 17

Comments to be received by 17 January 2022

IASB®

IFRS®

IFRS® Taxonomy 2021

Proposed Update 3

Initial Application of IFRS 17 and IFRS 9 — Comparative Information

Amendment to IFRS 17

Comments to be received by 17 January 2022

IFRS® Taxonomy 2021—Proposed Update 3 *Initial Application of IFRS 17 and IFRS 9—Comparative Information* is published by the IFRS Foundation (Foundation) for comment only. Comments need to be received by **17 January 2022** and should be submitted by email to commentletters@ifrs.org or online at https://www.ifrs.org/projects/open-for-comment/.

All comments will be on the public record and posted on our website at www.ifrs.org unless the respondent requests confidentiality. Such requests will not normally be granted unless 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.

Disclaimer: To the extent permitted by applicable law, the International Accounting Standards Board (IASB) and the Foundation expressly disclaim all liability howsoever arising from this publication or any translation thereof whether in contract, tort or otherwise to any person in respect of any claims or losses of any nature including direct, indirect, incidental or consequential loss, punitive damages, penalties or costs.

Information contained in this publication does not constitute advice and should not be substituted for the services of an appropriately qualified professional.

Contents

Introduction

Why is the IASB proposing changes to the IFRS Taxonomy?

In December 2021 the International Accounting Standards Board (IASB) issued *Initial Application of IFRS 17 and IFRS 9—Comparative Information*, which amended IFRS 17 *Insurance Contracts*. The amendment permits an entity that first applies IFRS 17 and IFRS 9 *Financial Instruments* at the same time to apply the classification overlay in paragraphs C28B–C28E of IFRS 17. This is for the purpose of presenting comparative information about a financial asset if the comparative information for that financial asset has not been restated for IFRS 9. The amendment also permits an entity that has applied IFRS 9 before it first applies IFRS 17 to apply the classification overlay in accordance with paragraph C33A of IFRS 17.

The amendment to IFRS 17 requires that if an entity applies the classification overlay, the entity shall disclose qualitative information that enables users of financial statements to understand:

(i)   the extent to which the classification overlay has been applied (for example, whether it has been applied to all financial assets derecognised in the comparative period); and

(ii) whether and to what extent the impairment requirements in Section 5.5 of IFRS 9 have been applied.

The IASB proposes to add one text block element to the IFRS Taxonomy to reflect this new disclosure requirement.

Reading this proposed 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] The Appendix briefly explains IFRS Taxonomy terms used in this document.

In this proposed IFRS Taxonomy update, changes to the IFRS Taxonomy elements are shown in tables. New elements are shaded in green.

IFRS Taxonomy files

IFRS Taxonomy files are not provided for this proposed IFRS Taxonomy update because the changes are narrow in scope.

Next steps

Comments on this proposed IFRS Taxonomy update will be analysed and any necessary amendments will be made. After its approval by the IASB, a final IFRS Taxonomy update will be published.

---

1   The *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.

Invitation to comment

The IASB invites comments on this proposed IFRS Taxonomy update, particularly on the questions set out below. Comments are most helpful if they:

(a) address the questions as stated;

(b) indicate the specific IFRS Taxonomy item or group of items to which they relate;

(c) contain a clear rationale; and

(d) include any alternative the IASB should consider, if applicable.

Comments on the IFRS Taxonomy as a whole are also welcome. However, IFRS Taxonomy amendments resulting from such comments may be included in a subsequent update.

Questions for respondents

Question 1—Adequate reflection of the disclosure requirement
Does the proposed change to the IFRS Taxonomy adequately reflect the amendment to IFRS 17 described in paragraph 1? If not, please specify what changes you would suggest and why.

Question 2—Appropriate use of the label
Does the label of the proposed element described in paragraph 4 faithfully represent the meaning of that element? If not, please specify what changes you would suggest and why.

Question 3—Appropriate use of the documentation label
Does the documentation label of the proposed element described in paragraph 5 correctly define that element? If not, please specify what changes you would suggest and why.

Deadline

The IASB will consider all comments received in writing by **17 January 2022 (30 days)**.

How to comment

Please submit your comments electronically:

Online	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 several acronyms. 'ET' refers to element type and 'ER' to element reference type. Element type 'TB' refers to text block. Reference type 'D' refers to disclosure.

New disclosure introduced by the amendment to IFRS 17 *Insurance Contracts*

1   Paragraph C28E(a) of IFRS 17 *Insurance Contracts*, as added in December 2021, requires an entity that applies the classification overlay, as described in paragraphs C28B–C28D of IFRS 17, to disclose qualitative information that enables users of financial statements to understand:

   (i)   the extent to which the classification overlay has been applied (for example, whether it has been applied to all financial assets derecognised in the comparative period); and

   (ii)   whether and to what extent the impairment requirements in Section 5.5 of IFRS 9 have been applied.

2   Consequently, the IASB proposes to add one text block element to the IFRS Taxonomy in the presentation group [836600] Notes – Insurance Contracts (IFRS 17).

3   The IASB considered creating two separate text elements for the disclosure requirements in paragraph C28E(a)(i) and C28E(a)(ii) of IFRS 17. The IASB rejected this option because having two elements for the given qualitative disclosure requirement would be unnecessarily detailed. The IASB considered that users of financial information were much more likely to look for and consider the disclosure required by the two subparagraphs as a whole, rather than as discrete items. Therefore, the IASB concluded that introducing two elements would likely cause unnecessary complexity.

Proposed new element

4   The IASB proposes to add the following new element:

Element label	ET	ER	Reference
Disclosure of qualitative information about application of classification overlay and impairment requirements	TB	D	IFRS 17.C28E(a)

Proposed documentation label for the new element

5   The IFRS Taxonomy includes documentation labels (also called definitions) that clarify the accounting meaning of an element. These labels or definitions help preparers to identify the correct element to use when tagging financial statements; they also help users of financial statements to understand information reported electronically. The table below includes the proposed documentation label for the new element described in paragraph 4.

Element label	Documentation label
Disclosure of qualitative information about application of classification overlay and impairment requirements	The disclosure of qualitative information about the extent to which the classification overlay has been applied and whether and to what extent the impairment requirements in Section 5.5 of IFRS 9 Financial Instruments have been applied.

Effective date

6   The amendment applies when an entity first applies IFRS 17. IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted. Therefore, early use of the IFRS Taxonomy element is also permitted.

Approval by the IASB of Proposed IFRS Taxonomy Update *Initial Application of IFRS 17 and IFRS 9—Comparative Information* published in December 2021

Proposed IFRS Taxonomy Update *Initial Application of IFRS 17 and IFRS 9—Comparative Information* was approved for publication by all 12 members of the International Accounting Standards Board.

Andreas Barckow	Chair
Suzanne Lloyd	Vice-Chair
Nick Anderson	
Tadeu Cendon	
Zach Gast	
Jianqiao Lu	
Bruce Mackenzie	
Bertrand Perrin	
Thomas Scott	
Rika Suzuki	
Ann Tarca	
Mary Tokar	

Appendix—IFRS® Taxonomy content terminology

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

Core content—IFRS Taxonomy elements	

The IFRS Taxonomy contains elements that represent disclosures in financial statements prepared in accordance with IFRS Standards.
 	
These elements are described using:
 	
• **line items**—which represent the accounting concepts being reported. They can be 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'. 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.
	These IFRS Taxonomy **elements** have:
	
	• **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), duration (DUR).
	
	  • **text element** types are used for narrative disclosures. They are also used when, although IFRS Standards do not specify the details of a disclosure requirement, that disclosure requirement is nonetheless expected to be expressed in 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, tables.

...continued

Core content—IFRS Taxonomy elements

	element properties, such as: - 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

The IFRS Taxonomy provides supporting content explaining the **accounting meaning** of an element.	This content includes: **references**—which link an element to the authoritative literature, for example, IFRS 15 *Revenue from Contracts with Customers*. **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. **guidance labels**—which are implementation notes that provide additional help to preparers on the correct use of IFRS Taxonomy elements within an electronic report.

Supporting content—relationships between IFRS Taxonomy elements (linkbases)	
The IFRS Taxonomy calculation linkbase explains how **elements** may relate **mathematically** to each other.	For example, this content includes: • **summations** of elements to a total or subtotal; and • **formulas** to indicate that an element is a ratio of other taxonomy elements.
The IFRS Taxonomy uses the presentation linkbase to provide **presentation views** under which the line items, axes and members (or combinations of elements as tables) have been grouped. This supports **human-readable** viewing and navigation of the IFRS Taxonomy.	The IFRS Taxonomy has specific **presentation** elements: • **headings** (abstract elements); and • **presentation groups**. These elements are not used when tagging financial statements. These headings and presentation groups also have standard **labels**.
The IFRS Taxonomy uses the definition linkbase to provide **views** under which the combined line items, axes and members (**tables**) have been grouped. This supports **computer-readable** use of the IFRS Taxonomy.	For example, the content includes: • a **definition** for each table; and • a **default member** for each axis.