March 2022

IFRS Accounting Taxonomy 2021

Update 3

Initial Application of IFRS 17 and IFRS 9—Comparative Information Amendment to IFRS 17

IASB®

⊛IFRS®

IFRS® Accounting Taxonomy 2021

Update 3

Initial Application of IFRS 17 and IFRS 9 — Comparative Information

Amendment to IFRS 17

IFRS® Accounting Taxonomy 2021—Update 3 *Initial Application of IFRS 17 and IFRS 9—Comparative Information* is issued by the International Accounting Standards Board (IASB).

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Introduction

Why has the IASB made changes to the IFRS® Accounting 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. An entity applies the overlay 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 added one text block element to the IFRS Accounting Taxonomy to reflect this new disclosure requirement.

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] The Appendix briefly explains the IFRS Accounting Taxonomy terms used in this document.

In this IFRS Accounting Taxonomy Update, changes to the IFRS Accounting Taxonomy elements are shown in tables. Table rows shaded in green contain information about new elements.

IFRS Accounting Taxonomy files

The changes resulting from this Update have been included in the IFRS Accounting Taxonomy 2022.

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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.

> 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 added one text block element to the IFRS Accounting 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 using two elements for the qualitative disclosure requirement would cause unnecessary complexity. The IASB took the view that users of financial information were likely to look for and consider the disclosure required by the two subparagraphs as a whole, rather than as discrete items.

New element

4   The IASB added 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)

Documentation label for the new element

5   The IFRS Accounting 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. This table includes the 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 Accounting Taxonomy element is also permitted.

Approval by the IASB of IFRS® Accounting Taxonomy 2021—Update 3 *Initial Application of IFRS 17 and IFRS 9—Comparative Information* issued in March 2022

IFRS Accounting Taxonomy 2021—Update 3 *Initial Application of IFRS 17 and IFRS 9—Comparative Information* was approved for publication by all 12 members of the International Accounting Standards Board.[2]

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	

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2   Suzanne Lloyd approved this IFRS Accounting Taxonomy Update when she was Vice-Chair of the IASB. She has subsequently stepped down from that role to join the International Sustainability Standards Board.

Appendix A—IFRS® Accounting Taxonomy content terminology

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

Core content—IFRS Accounting Taxonomy elements

The IFRS Accounting Taxonomy contains elements that represent disclosures in financial statements prepared in accordance with IFRS Accounting Standards.
 	
These elements are described using:
 	
• **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'. All axes in the IFRS Accounting 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 Accounting Taxonomy axes, members and line items.
	These IFRS Accounting 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 Accounting 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 IFRS Accounting 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, numerical disclosures, narrative explanations and tables.

...continued

Core content—IFRS Accounting 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 Accounting Taxonomy elements	
The IFRS Accounting 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 Accounting 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 Accounting Taxonomy elements within an electronic report.

Supporting content—Relationships between IFRS Accounting Taxonomy elements (linkbases)	
The IFRS Accounting 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 Accounting Taxonomy uses the presentation linkbase to provide **presentation views** under which the line items, axes and members (or combinations of these as tables) have been grouped. This supports **human-readable** viewing and navigation of the IFRS Accounting Taxonomy.	The IFRS Accounting 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 Accounting 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 Accounting Taxonomy.	For example, the content includes: • a **definition** for each table; and • a **default member** for each axis.