Meeting note—IFRS Taxonomy Consultative Group

The IFRS Taxonomy Consultative Group (ITCG) met on 16 January 2020 in the London office of the IFRS Foundation (Foundation). This summary of the ITCG's discussions has been prepared by the staff. Related papers and recordings of the meeting are available on the meeting page.

The ITCG members discussed:

- IFRS Taxonomy modelling for the Exposure Draft *General Presentation and Disclosures* (paragraphs 1–15);
- a review of common reporting practice related to primary financial statements (paragraphs 16–33);
- a review of common reporting practice related to IAS 19 *Employee Benefits* (paragraphs 34–42);
- a review of common reporting practice related to IFRS 7 *Financial Instruments: Disclosures* (paragraphs 43–55);
- a review of the IFRS Taxonomy's supporting materials (paragraphs 56–65); and
- an update on the IFRS Taxonomy strategy (paragraphs 66–73).

Exposure Draft *General Presentation and Disclosures*

1. The purpose of this session was to discuss the IFRS Taxonomy modelling for the proposed disclosures on:
    - unusual items (paragraphs 2–6); and
    - management performance measures (paragraph 7–15).

Unusual items

'Location in the statement of profit and loss'

2. The staff presented its suggested approach of using a 'Location in statement of profit or loss' axis for modelling the location of unusual income and expenses in the statement of profit or loss.
3. Some ITCG members suggested that, instead, the staff should consider modelling the location using IFRS Taxonomy line items and an axis depicting the unusual portion of the line item. These members preferred such an approach for the following reasons:
    a. one ITCG member said that if the staff's suggested approach were followed, line items would be duplicated as members, without a clear link indicating equivalency between line items and members. The member added that, although a similar 'Location in statement of profit or loss' axis exists in the US GAAP Taxonomy, the use of such an axis has been avoided where possible for the reason he stated.
    b. four ITCG members said that using line items for the location in the statement of profit or loss could be more intuitive to filers and users of the data than would the staff's suggested approach. By way of example, one member suggested that using line items would be more intuitive when analysing the portion of a line item in the statement of profit or loss that consists of unusual income and expenses. The staff replied that it expects users to use the data in different ways—users may also be interested in the total unusual income (expenses) disaggregated by type of unusual

item. The modelling had to consider the multiple ways in which users may want to query the information.

c. two ITCG members said that some companies may choose to disclose the 'usual' amounts of income and expenses. One of the members said that such amounts could not be tagged using the staff's suggested approach but could be tagged using line items for the location in the statement of profit or loss, in combination with an axis with 'usual', 'unusual' and 'total IFRS' members. The staff clarified that, if the Board's proposals were applied, such amounts would be management performance measures and would not be allowed to be presented in the statement of profit or loss.

4. The staff stated that they would explore the approach suggested by ITCG members using line items and bring further analysis to a future ITCG meeting. However, the staff said that the topic of how to model the attribution of a disclosure in the note to a specific location in the primary financial statements is not limited to unusual items only, and any proposed model should be applied consistently. The staff referred to another example of such modelling discussed in Agenda Paper 2A—attribution of expenses by nature to the line-item, cost of goods sold.

5. One ITCG member said that, when using a 'Location in statement of profit or loss' axis, it would be helpful to have an XBRL mechanism to express that a member of that axis is equivalent to a line item. Another ITCG member replied that such a mechanism is being developed as part of XBRL International's work on Calculations 2.0.

Other comments

6. One ITCG member suggested that a company should be required to disclose totals in its disclosures on unusual income and expenses, because this would make it easier for users to analyse those totals electronically. The staff said that the Board could consider drafting the final Standard to require disclosure of these totals if such a requirement would benefit electronic reporting. Another ITCG member added that the reporting of totals should be encouraged throughout the financial statements, not just for disclosures of unusual income and expenses.

Management performance measures (MPMs)

Using elements with general labels to tag management performance measures

7. The staff proposed using line items with general labels to tag management performance measures, for example, 'MPM1', 'MPM2'. Companies could add extension labels to clarify the entity-specific meaning of a particular management performance measure.

8. One ITCG member was concerned that the use of general labels may not be intuitive to filers and could therefore result in tagging errors. Instead, the member proposed that more specific elements should be created. Such elements should, the member said, refer to the most comparable total or subtotal specified by IFRS Standards to which that management performance measure is reconciled, for example, 'management performance measure reconciled to operating profit'. The staff will explore such an approach and bring further analysis to a future ITCG meeting.

9. One ITCG member agreed with the staff's suggested approach of using general elements to avoid implying that management performance measures with the same label are comparable. However, this member also emphasised that the modelling should provide a clear link

between a management performance measure and the most comparable IFRS-specified total or subtotal.

10. One ITCG member said that, from a user's perspective, they did not feel strongly about how management performance measures are labelled within the IFRS Taxonomy, as long as the reconciling items are tagged in a clear way.

11. One ITCG member questioned how the proposed modelling would work in a jurisdiction where extension labels were not permitted. The staff replied that a loss of information would result in such cases. Therefore, they encourage regulators to permit extensions to avoid such losses.

12. Another ITCG member suggested that the staff should consider using line items and members with general labels more widely within the IFRS Taxonomy to avoid preparers having to create extension elements. For example, such a modelling approach could be applied to the individual operating segments.

Tagging reconciling items

13. One ITCG member suggested that elements should be created in the IFRS Taxonomy for the most common reconciling adjustments made in practice by companies. The staff will explore such an approach, but expressed some reservations:

    a. if such elements were added, users could assume that the adjustments are calculated consistently by different companies, which is not always the case.

    b. such elements could only be created for common adjustments that are mentioned in the IFRS Standard or Illustrative Examples. The staff said that the Board could consider including more such examples in the final Standard or its accompanying illustrative examples if this would benefit electronic reporting.

14. One ITCG member questioned whether the existing line items for income or expenses by nature could be reused to tag reconciling items. For example, if a company adjusts for share-based payment expenses in the calculation of its management performance measure, it could use the existing line item for share-based payment expenses. However, another member replied that this would only be possible when the adjustment is equal to the total amount of the income or expense by nature, which is not always the case.

Other comments

15. One ITCG member asked whether the proposed modelling would apply to management performance measures both inside and outside financial statements. The staff said that its proposals only related to management performance measures disclosed in the financial statements. The staff added that tagging requirements are set by regulators rather than by the Board.

Review of common reporting practice related to primary financial statements

16. The purpose of this session was to discuss the staff proposals on:
    - extensions that make the analysis of basic relationships between financial concepts difficult (paragraphs 17–26); and
    - axes used on the primary financial statements (paragraphs 27–33).

Extensions that make analysis of basic relationships between financial concepts difficult

Statement of cash flows

17. Most ITCG members agreed with the staff proposal to change the documentation label of the IFRS Taxonomy element 'Net increase (decrease) in cash and cash equivalents' to clarify that this element relates to the 'increase (decrease) after the effect of exchange rate changes on cash and cash equivalent'. Those members thought that preparers may rely mainly on labels to select an element. It is therefore likely that the use of more precise documentation labels would reduce tagging errors. One member remarked that in their view the element reference and the IFRS Taxonomy presentation structure already precisely defines the accounting meaning of the element and that no additional guidance is required.

18. One ITCG member asked about the staff's future research on extension analysis and, in particular, how additional data that becomes available in the next few years will be considered in extension analysis. The staff replied that—because of its limited time and resources—it may not be possible to undertake an analysis of extensions every year. However, the staff will focus on areas with clear potential for improvement. Furthermore, it was noted that the staff will continue to take into account urgent and important feedback from stakeholders on potential improvements to the IFRS Taxonomy.

19. ITCG members suggested some ways in which the Foundation could support the correct tagging by preparers of their financial statements. Members suggested:
    a. the provision of additional guidance and education to emphasise that tagging is not a label-matching exercise but a practice that requires accounting experience and consideration of all IFRS Taxonomy content (references, data type, calculation, presentation). The staff replied that '*Using the IFRS Taxonomy—A preparer's guide*' describes in detail the content a preparer can use to select an element.
    b. the use of key phrases like 'before tax' and 'after tax' and so on—in both documentation labels and standard labels—to help filers with searching and to enable them correctly to identify elements for tagging.
    c. that the Foundation set up a committee to review the quality of data and issues of interpretation in relation to the IFRS Taxonomy.
    d. that the Foundation post on its website the most common data-quality errors found by its staff, as XBRL US do.

20. A few ITCG members thought that tagging errors will reduce over time as a result of factors such as anchoring, audit assurance and the growing experience of filers. Another ITCG member added that, although audit assurance and education can help to reduce such errors, it is the role of the Foundation to provide clear and understandable documentation labels for all IFRS Taxonomy elements.

Gross profit

21. The staff's empirical analysis highlighted that the calculation relationship for gross profit does not work when a company presents a disclosure that has an accounting meaning of 'cost of sales, excluding a specific expense(s) that is classified by the company as cost of sales' and the company:
    a. wrongly tags this disclosure using the IFRS Taxonomy element 'Cost of sales'; or
    b. this disclosure is the remainder of a disaggregation of cost of sales into expenses by nature, and the total value for cost of sales is not explicitly disclosed.

22. ITCG members agreed with the staff proposal not to add a new IFRS Taxonomy element for the remainder element used in the disaggregation.

23. One ITCG member suggested that the staff should consider the use of the 'further analysis dimension' model employed by the UK FRC Taxonomy. This member however qualified their suggestion by stating that the use of such a dimension would preclude the use of XBRL calculations.

24. Another member said that the same problem arises under the US GAAP financial reporting. To overcome this problem, the US Taxonomy staff has issued guidance stating that its element 'other cost of sales' should be used for the remainder of the disaggregation. The staff replied that this approach is not possible for the IFRS Taxonomy because the taxonomy does not include any line items for a disaggregation of cost of sales as such a disaggregation is not commonly presented in the statement of profit or loss.

25. Most ITCG members supported the staff proposal to add a guidance label to the IFRS Taxonomy element 'Cost of sales'. The purpose of the proposed addition is to clarify that the 'Cost of sales' element should not be used for a disclosure that represents a 'Cost of sales' excluding a specific expense(s) classified by the company as a cost of sales. Members also supported the proposal to add a new IFRS Taxonomy table for the attribution of expenses by nature disclosed in the notes to expenses by function presented in the statement of profit or loss by function. The staff observed that such an attribution is commonly reported by foreign private issuers.

26. A Board member remarked that the Board's Primary Financial Statements proposals would help to address the issue as they would require a company to present a profit or loss by either nature or function of expenses. The staff agreed, but added that the problem would remain for those companies that present a disaggregation of cost of sales and do not explicitly report the total.

Axes used on the primary financial statements

Supplementary currency axis

27. ITCG members agreed with the staff proposal to add a new 'for general application' axis to capture the disclosure requirement set out in paragraph 57(a) of IAS 21 *The Effects of Changes in Foreign Exchange Rates* to clearly identify information provided in a supplementary currency in order to distinguish it from the information provided in a currency that complies with IFRS Standards.

28. One ITCG member observed that displaying primary financial statements in a supplementary currency is a voluntary disclosure. The member suggested that the IFRS Taxonomy should not include such voluntary disclosures. The staff agreed that it is a voluntary disclosure, but added that IAS 21 requires specific disclosures when a company elects to present its primary financial statements in a supplementary currency. Another ITCG member asked whether this voluntary disclosure would have an effect on management performance measures. The staff will consider this question and report back at a future ITCG meeting.

Preference shares

29. ITCG members agreed with the staff proposal to add new 'equivalent' common reporting practice IFRS Taxonomy elements for 'issued capital, ordinary shares' and 'issued capital, preference shares'.

Continuing and discontinued operations

30. ITCG members agreed with the staff proposal to add six new 'equivalent' common reporting practice elements for continuing and discontinued operations.

31. One ITCG member suggested that regulators should be given the choice to use either a dimensional or a line-item approach when reporting the disaggregation of continuing and discontinued operations. The staff agreed with this suggestion but mentioned that XBRL calculations are not always possible when dimensions are being applied.

Attribution to a specific name part and disaggregation

32. In relation to this topic, ITCG members agreed with the staff proposal not to make any IFRS Taxonomy improvements.

33. One ITCG member asked whether the staff has considered the use of identifiers such as the Legal Entity Identifier to uniquely identify a specific named party. The staff replied that the IFRS Taxonomy does not include specific identification systems—they are outside the scope of the Foundation's activities.

Review of common reporting practice related to IAS 19 *Employee Benefits*

34. The purpose of this session was to:
    - inform ITCG members of the staff's approach to analysing common reporting practice relating to the disclosure requirements in IAS 19 (paragraphs 35–36); and
    - seek the views of ITCG members on proposed changes to the IFRS Taxonomy for defined benefit plans (paragraphs 37–42).

Approach to analysing IAS 19 common reporting practice findings

35. The staff explained that its approach is to propose changes to the IFRS Taxonomy 2021 to address *only* those common reporting practices that are unlikely to be affected by the Board's Targeted Standards-level Review of Disclosures.

36. One ITCG member said that their research had identified employee benefits as an area with high rates of extensions. The member added that the principle-based nature of IFRS Standards contributed to that situation and that he supported the common reporting practice project.

Proposed changes to the IFRS Taxonomy for defined benefit plans

Fair value of plan assets

37. ITCG members expressed their support for the suggested changes to the IFRS Taxonomy related to the disclosure in percentage amounts of the disaggregation of the fair value of plan assets by classes of assets.

38. ITCG members made the following comments on the staff proposal:
    a. One ITCG member suggested that adding elements to tag the percentage disaggregation of the fair value of plan assets would be redundant. The member thought that the percentage fair values could be derived from the monetary fair values

for which the IFRS Taxonomy already has elements. The staff replied that, in some instances in the research sample, companies only provided a percentage disaggregation of the plan assets.

b. One ITCG member asked whether disclosures that require disaggregation by classes of assets are modelled consistently across the IFRS Taxonomy. The staff replied that the dimensional approach is generally used. However, in this case, the staff is proposing to use the line-item approach to be consistent with the modelling for the disaggregation of the fair value of plan assets expressed in monetary amounts.
c. One ITCG member suggested that the staff should also consider how companies that provide the percentage disaggregation of plan assets can tag the further disaggregation, required by IAS 19, into quoted and unquoted financial instruments. The staff will consider this question and report back at a future meeting of the ITCG.
d. One ITCG member said that the US GAAP Taxonomy uses a dimensional approach for the disaggregation of the fair value of plan assets because an axis is better able to handle the different classes of assets that a company may disclose. The staff replied that IAS 19 provides specific examples of classes of assets and that the staff did not identify additional commonly reported classes of assets in its research sample.

Reconciliation of the net defined benefit liability (asset)

39. ITCG members supported the proposed changes to the IFRS Taxonomy related to the reconciliation of the net defined benefit liability (asset). These proposed changes aim to address the common signage errors observed in practice.

40. They made the following comments on the proposal:
    a. One ITCG member suggested that the issue should instead be addressed in a company's paper-based reports. In the view of this member, the signs in the electronic report should reflect those used in a paper-based report to minimise any errors. The staff replied that the sign used in electronic reports should be aligned with the XBRL electronic reporting convention which may not always be the same as the signs used in paper-based reports. The staff added that its research identified no standard approach in paper-based reporting and that the proposed changes aim to clarify the sign to be used in the electronic report.
    b. One ITCG member suggested that the guidance label should also clarify the sign to report when the reconciling line items are used with the 'interest on asset ceiling' member.
    c. One ITCG member said that the proposed label for the disclosure of administrative cost in the reconciliation table is ambiguous as it may be confused with the line item 'administrative expenses' presented in a statement of profit or loss by function of expenses. This member suggested amending the proposed label to clarify the information to which it refers. The staff agreed with this suggestion.

Disaggregation of amounts presented in the primary financial statements

41. ITCG members expressed their support for the proposed changes to the IFRS Taxonomy related to the disaggregation of amounts presented in the primary financial statements.

42. One ITCG member suggested that the staff should consider providing cross-references between the proposed new line items and the equivalent line items in the reconciliation of net defined benefit liability (asset) table.

Review of common reporting practice related to IFRS 7 *Financial Instruments: Disclosures*

43. The purpose of this session was to seek feedback from ITCG members on:
    - their experience of the tagging/analysis of financial instruments disclosures (paragraphs 43–46);
    - the staff's proposed next step (paragraphs 47–50); and
    - the staff's analysis of the foreign private issuers (FPIs) sample for the finance sector (paragraphs 51–55).

ITCG members' experience of tagging/analysis of financial instruments disclosures

44. One ITCG member who had performed a similar analysis on financial instruments disclosures, found a high number of extensions in this area. The member noted that his findings were based on 2018 data; he expects that there will be a lower number of extensions in 2019 through implementation of IFRS 9 *Financial Instruments*.

45. One ITCG member observed that a high number of extensions were created for capital and market risk, and noted that these two areas were difficult to tag.

46. A few ITCG members said that regulatory requirements in the financial sector were among the main reasons for the high number of extensions relating to financial instruments disclosures. One ITCG member added that some companies combine fulfilment of their obligations under regulatory requirements (for example, Basel III) with the disclosure requirements of IFRS Standards that apply to them, resulting in a higher number of extensions.

The staff's proposed next step

47. No ITCG member disagreed with the staff's proposed research focus in the coming months. But one member remarked that, in view of the upcoming ESEF regulations, the staff should consider assigning a higher priority to extensions relating to financial instruments presented in the primary financial statements.

48. One ITCG member suggested that the staff should review the European Commission's Fitness Check of supervisory reporting and public reporting. The member also suggested that the staff should engage with relevant Commission and agency experts to discuss FINREP and IFRS data reports. The staff acknowledged the suggestion, but also observed that the IFRS Taxonomy should not reflect jurisdiction-specific content.

49. In response to questions on supervisory regulatory requirements from ITCG members, the staff highlighted that:
    a. the IFRS Taxonomy reflects the requirements set out in IFRS Standards; it is not designed to capture regulatory requirements.
    b. IFRS Standards include general requirements by which a company must disclose information related to regulatory requirements, for example, qualitative information on whether and how the company complied with externally imposed capital requirements, and on the consequences of non-compliance.

50. A Board member asked whether the staff has analysed text blocks as a result of the disclosure requirements in IFRS 9. The staff replied that it has analysed only monetary elements but that text blocks will form part of the staff's future research.

Staff's analysis of foreign private issuers (FPIs) sample for the finance sector

51. An ITCG member asked how the staff plans to increase the number of companies included in their sample beyond the 33 FPIs. The staff said that its intention is to increase the sample's size by adopting a similar approach to its previous common practice surveys; ie the staff will examine the PDF version of a number of companies' financial reports that were prepared in accordance with IFRS Standards and then assess how those companies would tag the information in those reports.

52. One ITCG member informed the meeting that a few elements have recently been added to the US Taxonomy as a result of the US GAAP requirements around capital requirements.

53. One ITCG member noted that IFRS 7 and IFRS 9 require risk disclosures. These requirements result in a duplication of risk disclosures—those required by IFRS 9 to be disclosed in a company's financial statements and those required to be made in a company's risk report which is outside the IFRS financial statements. It was suggested that companies sometimes avoid this duplication by incorporating risk disclosures into their financial statements by reference to disclosures in their risk reports. Consequently, sections of a risk report may be brought within the scope of tagging that would otherwise be excluded. This practice increases the complexity of the material requiring to be tagged, and hence the use of extensions.

54. One ITCG member asked whether the staff's analysis covered extension members. The staff replied that its initial research is focused only on extension line items.

55. In response to a question from an ITCG member the staff explained that the objective of its research was to examine whether the high number of extensions is caused by a lack of sufficient detail in the elements for financial instruments in the IFRS Taxonomy; and, if so, to identify common reporting practice that could inform an update of the IFRS Taxonomy. The staff added that, even after its research was completed and any subsequent update of the IFRS Taxonomy made, there would likely still be a number of extensions used in the banking sector due to the nature of its transactions.

Review of the IFRS Taxonomy's supporting materials

56. The purpose of this session was to discuss:
    - planned changes to supporting materials (paragraphs 57–61); and
    - feedback documents (paragraphs 62–65).

Planned changes to supporting materials

57. One ITCG member found the versioning report in XML useful to map changes in the IFRS Taxonomy between different time periods. Given the staff's plan to discontinue the versioning report in XML, the member asked whether any open-source or other free tools are available to help users map these changes. The staff responded that, although it will continue to provide versioning reports in XML when necessary, the cost of providing versioning reports in XML for each taxonomy release outweighs the benefit of doing so.

58. One ITCG member emphasised that all supporting materials are important. However, the member queried whether they could be generated automatically to save cost and time. The staff replied that any decision to discontinue a particular kind of supporting materials is mainly

based on actual usage, and that research had shown that a few of the supporting materials were not widely used.

59. One ITCG member advised against discontinuing the *IFRS Taxonomy Illustrated* because, he said, this document is very helpful for first-time users of the IFRS Taxonomy.

60. One ITCG member found the versioning report in HTML useful because, he said, it tracks the changes in the IFRS Taxonomy. As a result, it helped the member to identify whether elements have been deprecated or newly added. The staff responded that its plan was to continue producing a versioning report in HTML. Only the versioning report in XML will be discontinued.

61. No ITCG member disagreed with the staff proposal.

Feedback documents

62. A few ITCG members found Inline XBRL examples very useful and, therefore, suggested that the staff consider embedding them within the Proposed IFRS Taxonomy Update documents. One ITCG member suggested that the examples provided should focus more on how the Taxonomy should—or is—applied in the financial statements in practice.

63. One ITCG member remarked that the IFRS Standards should include more illustrative examples, and that these examples should be provided using the Inline XBRL format.

64. One ITCG member noted that a low public response to taxonomy consultations is an ongoing issue, not only for the Foundation but for other taxonomy standard-setters too. To improve feedback, three ITCG members made the following suggestions:
    a. be precise about the kind of feedback needed and target specific stakeholders;
    b. build strong relationships with data aggregators, as they are heavy users of tagged data; and
    c. liaise and work with regulators.

65. One ITCG member thought that the Proposed IFRS Taxonomy Updates and webinars will be more beneficial in the future because of the upcoming mandatory tagging of financial reports in the European Union.

Update on the IFRS Taxonomy strategy

66. The purpose of this session was to obtain ITCG members' views on the IFRS Taxonomy strategy, to inform them about the staff's current strategic work, and to seek members' feedback. Overall, ITCG members supported the emerging strategy.

67. However, some ITCG members questioned whether the strategy explained how resources would be made available to support the strategy's execution. To address this risk, the Foundation could (some members suggested):
    a. generate income by charging a fixed fee to jurisdictional regulators for their use of the IFRS Taxonomy. (The member who made this suggestion thought that it would also increase awareness of the IFRS Taxonomy.)
    b. approach non-traditional parties to financial reporting, such as external reporting vendors and data aggregators, to be resource partners for support and skills in the development of the IFRS Taxonomy and guidance for its usage.

68. The staff explained that the Board determines how to prioritise its activities and allocate its resources, through an agenda consultation process that it is required to carry out every five years. These activities include the Taxonomy, its standard-setting work, and consistent application of IFRS Standards. Depending on how the IFRS Taxonomy is prioritised (high, medium or low), the Board may make a trade-off in relation to its other priorities. An increase in the Board's overall level of activities, which may require additional financial and human resources, would be considered at the Trustee level, independent of the Board.

69. One ITCG member highlighted the potential risk of individual jurisdictions creating their own versions of the IFRS Taxonomy, thereby impairing cross-jurisdictional comparability. The member saw a correlation between this risk and the level of strategic engagement by the Foundation. A higher-level strategic engagement, including more education and greater management of intellectual property rights, might, he said, lower the risk of various versions of the IFRS Taxonomy proliferating. The member added that the scenario he postulated—and the ways he suggested to avoid its materialisation—should be considered in the development the IFRS Taxonomy strategy.

70. One ITCG member outlined three ways in which the environment for electronic consumption is changing, and some of their strategic implications for the IFRS Taxonomy:
    a. an increasing demand for of financial reporting based on shorter time frames: from monthly to daily to real-time reporting. This trend reflects, he said, the increasing velocity of data and cost of reporting in real time.
    b. an increasing demand for non-financial reporting information, including environmental and social and corporate governance information. Taxonomies are required for this type of information. In relation to sustainability reporting, the Board should, the member said, consider developing a sustainability taxonomy for the tagging of non-financial reporting information.
    c. an increasing demand for preparers to provide tagged granular transactional data. The member said that the Board when developing the strategy should consider that in the future, companies may be required to link to the aggregated data in their financial reports (tagged in accordance with the IFRS Taxonomy) with their tagged transactional data, as required by regulators (see the European Central Bank's AnaCredit project, for example).

71. A few ITCG members made the following suggestions to achieve the objective set out in the IFRS Taxonomy strategy:
    a. encourage the audit and assurance profession to audit tagging in financial reports to improve the quality of the data and, as a result, produce high-quality financial reports in an electronic format;
    b. improve data quality by increasing transparency through ability to drill down to original information that allows users and analysts to determine the usability of the data. This assumes user will demand better quality data and leave enforcement to the regulators and auditors;
    c. understand the reasons why jurisdictions allocate resources to create and maintain costly taxonomies of their own and thereby assess whether countervailing arguments in favour of the IFRS Taxonomy's use instead can be presented;
    d. consider that some of the ambitions of digital reporting are to reduce the amount of validation and manual activity required and thereby drive efficiency; and
    e. educate accounting students and professionals by incorporating Taxonomy and XBRL training into academia and professional qualifications.

72. One ITCG member shared the outcome of research in his jurisdiction on what investors and preparers think about electronic reporting. Many investors reported that too few companies tag their data to make the incorporation of such tagged information into their investment models a viable proposition. His research also concluded that many preparers are not motivated to prepare tagged financial statements because they perceive a lack of demand from the users of those statements. The member advised that this should be addressed if the objectives of the Taxonomy strategy are to be met.

73. One ITCG member recommended that the Board should strive for the high-level of strategic engagement; more precisely, the Board should pursue its vision of full electronic reporting by doing all it can to ensure the IFRS Taxonomy is adopted globally and to increase its accessibility.