

July 2020

Proposed IFRS[®] Taxonomy Update
PTU/2020/2

IFRS Taxonomy 2020

Amendments to IFRS 17,

*Extension of the Temporary Exemption from Applying IFRS 9 and
Property, Plant and Equipment—Proceeds before Intended Use*

Comments to be received by 14 September 2020

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IFRS® Taxonomy 2020

Proposed Update 2

*Amendments to IFRS 17,
Extension of the Temporary Exemption from
Applying IFRS 9
and
Property, Plant and Equipment – Proceeds
before Intended Use*

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IFRS® Taxonomy 2020 – Proposed Update 2 *Amendments to IFRS 17, Extension of the Temporary Exemption from Applying IFRS 9 and Property, Plant and Equipment – Proceeds before Intended Use* is published by the International Accounting Standards Board (Board) for comment only. Comments need to be received by **14 September 2020** and should be submitted by email to commentletters@ifrs.org or online at <https://www.ifrs.org/projects/open-for-comment/>.

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Overview of the proposed changes to the IFRS Taxonomy

Introduction

Amendments to IFRS 17

In June 2020, the International Accounting Standards Board (Board) issued *Amendments to IFRS 17*. The document made targeted amendments to the requirements in IFRS 17 *Insurance Contracts* in response to concerns and challenges identified by stakeholders as IFRS 17 was being implemented.

To reflect the amended disclosure requirements of IFRS 17 in the IFRS Taxonomy, the Board proposes to:

- (a) add new IFRS Taxonomy elements and one table to the IFRS Taxonomy to reflect two new disclosure requirements for insurance acquisition cash flows (paragraphs 4–9);
- (b) add two IFRS Taxonomy elements and remove one IFRS Taxonomy element from the existing tables to reflect the amended disclosure requirements related to recognition of the contractual service margin in profit or loss (paragraphs 10–14);
- (c) add one IFRS Taxonomy element to an existing table to reflect the amended disclosure related to analysis of insurance revenue (paragraphs 15–16); and
- (d) amend element labels and documentation labels¹ for existing IFRS Taxonomy elements to reflect the proposed changes to the definitions and requirements in IFRS 17 as amended in June 2020 (paragraphs 17–21).

The documentation labels of the new IFRS Taxonomy elements created to reflect changes to requirements in IFRS 17 as amended in June 2020 are included in paragraph 22.

In addition, the Board proposes to change the effective date of the IFRS Taxonomy elements related to IFRS 17 and to change the expiry date of the IFRS Taxonomy elements related to IFRS 4 to reflect the amended effective date of IFRS 17 (paragraphs 23–24).

Amendments to other IFRS Standards arising from Amendments to IFRS 17

The Board issued amendments to other IFRS Standards arising from amendments to IFRS 17. Consequently, the Board proposes to add two tables to the IFRS Taxonomy to reflect two new disclosure requirements related to the transition to IFRS 9 *Financial Instruments* (paragraphs 25–31).

The documentation labels of the new IFRS Taxonomy elements created to reflect amendments to other IFRS Standards arising from *Amendments to IFRS 17* are included in paragraph 32.

In addition, the Board proposes to add the effective date of the IFRS Taxonomy elements related to the transition to IFRS 9 to reflect the amended effective date of those two amendments (paragraph 33).

¹ For more details (including the explanation of the documentation labels) refer to paragraph 17.

Extension of the Temporary Exemption from Applying IFRS 9

In June 2020, the Board issued *Extension of the Temporary Exemption from Applying IFRS 9*, which amended IFRS 4 *Insurance Contracts*. The document extended the expiry date of the temporary exemption from applying IFRS 9.

The Board proposes to change the expiry date of the IFRS Taxonomy elements related to those amendments to IFRS 4 to reflect the amended effective date (paragraphs 34–35).

Property, Plant and Equipment—Proceeds before Intended Use

In May 2020, the Board issued *Property, Plant and Equipment—Proceeds before Intended Use*, which amended IAS 16 *Property Plant and Equipment*. The amendments aim to improve transparency and consistency by amending accounting requirements for the proceeds that an entity receives from selling items produced while testing an item of property, plant or equipment before it is used for its intended purpose. Due to the narrow scope of this amendment, the Board included the resulting changes to the IFRS Taxonomy in the same Proposed IFRS Taxonomy Update as the *Amendments to IFRS 17*.

To reflect the new disclosure requirements introduced by the amendments, the Board proposes to add three IFRS Taxonomy elements to the IFRS Taxonomy (paragraphs 36–38).

The documentation labels of the new IFRS Taxonomy elements created to reflect the amendments are included in paragraph 39.

In addition, the Board proposes to add the effective date of the IFRS Taxonomy elements related to the amendments (paragraph 40).

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*.² The Appendix provides brief explanations of the IFRS Taxonomy terms used in this document.

IFRS Taxonomy files

IFRS Taxonomy files are not provided for this Proposed IFRS Taxonomy Update because the changes are narrow in scope.

Next steps

The Board will analyse comments on this Proposed IFRS Taxonomy Update and make necessary amendments. After approval by the Board, a final IFRS Taxonomy Update will be released.

² 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

Introduction

The Board 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, table or group of items to which they relate;
- (c) contain a clear rationale; and
- (d) include any alternative the Board 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 disclosure requirements
Do the proposed changes to the IFRS Taxonomy adequately reflect the disclosure requirements of:
(a) <i>Amendments to IFRS 17</i> (paragraphs 1–16);
(b) amendments to other IFRS Standards arising from <i>Amendments to IFRS 17</i> (paragraphs 25–31); and
(c) <i>Property, Plant and Equipment—Proceeds before Intended Use</i> (paragraphs 36–38)?
If not, please specify what changes you would suggest and why.

Question 2—Appropriate use of element labels
Do the labels of new elements that have been proposed for the IFRS Taxonomy faithfully represent the meaning of those elements?
Do the proposed changes to the labels of existing IFRS Taxonomy elements in paragraph 20 correctly reflect the changes in <i>Amendments to IFRS 17</i> ?
If not, please specify what changes you would suggest and why.

Question 3—Appropriate use of documentation labels
Do the documentation labels of new elements that have been proposed for the IFRS Taxonomy appropriately define those elements created to reflect changes in:
(a) <i>Amendments to IFRS 17</i> (paragraph 22);
(b) amendments to other IFRS Standards arising from <i>Amendments to IFRS 17</i> (paragraph 32); and
(c) <i>Property, Plant and Equipment—Proceeds before Intended Use</i> (paragraph 39)?
Do the proposed changes to the documentation labels of existing IFRS Taxonomy elements in paragraphs 17–21 correctly reflect the changes in <i>Amendments to IFRS 17</i> ?
If not, please specify what changes you would suggest and why.

Question 4—Effective dates and expiry dates
Do the proposed changes to the effective dates and expiry dates of the IFRS Taxonomy elements correctly reflect the effective dates in:
(a) <i>Amendments to IFRS 17</i> (paragraphs 23–24);
(b) amendments to other IFRS Standards arising from <i>Amendments to IFRS 17</i> (paragraph 33);
(c) <i>Extension of the Temporary Exemption from Applying IFRS 9</i> (paragraphs 34–35); and
(d) <i>Property, Plant and Equipment—Proceeds before Intended Use</i> (paragraph 40)?
If not, please specify what changes you would suggest and why.

Deadline

The Board will consider all comments received in writing by 14 September 2020.

How to comment

The IFRS Foundation's offices are closed temporarily in line with government measures to stem the covid-19 pandemic. However, we are working and will consider your views in finalising the proposed update. 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.

In this Proposed IFRS Taxonomy Update, changes to the IFRS Taxonomy elements are shown in tabular format.

New elements are shaded in green. For amended element labels or references added text is underlined and deleted text is struck through. Existing elements provided for context only (no changes are proposed) use grey text.

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

The acronyms ‘ET’ and ‘ER’ represent element type and element reference type, respectively. For element type, ‘M’, ‘T’ and ‘TB’ represent monetary, text and text block, respectively. For element reference type, ‘D’ represents disclosure.

Proposed changes to the IFRS Taxonomy as a result of *Amendments to IFRS 17*

- 1 The Board proposes to reflect changes to the disclosure requirements of IFRS 17 arising from *Amendments to IFRS 17* by:
 - (a) adding new IFRS Taxonomy elements and one table to the IFRS Taxonomy to reflect two new disclosure requirements for insurance acquisition cash flows:
 - (i) the requirement in paragraphs 105A and 105B of IFRS 17 as amended in June 2020 to provide a reconciliation from the opening to the closing balance of assets for insurance acquisition cash flows (paragraphs 4–6); and
 - (ii) the requirement in paragraph 109A of IFRS 17 as amended in June 2020 to disclose quantitative information about when an entity expects to derecognise an asset for acquisition cash flows (paragraphs 7–9).
 - (b) adding two IFRS Taxonomy elements and removing one IFRS Taxonomy element from the existing tables to reflect the amended disclosure requirements in paragraphs 109 and 117(c)(v) of IFRS 17 as amended in June 2020 for the recognition of the contractual service margin in profit or loss (paragraphs 10–14);
 - (c) adding one IFRS Taxonomy element to the existing table to reflect the amended disclosure requirement in paragraph 106 of IFRS 17 as amended in June 2020, which added an item to the analysis of insurance revenue (paragraphs 15–16); and
 - (d) amending element labels and documentation labels for the existing IFRS Taxonomy elements to reflect the proposed changes to the definitions (paragraphs 17–21).
- 2 The Board proposes to add documentation labels for the new IFRS Taxonomy elements created as a result of IFRS 17 as amended in June 2020 (paragraph 22).

- 3 In addition, the Board proposes to change the effective date of IFRS Taxonomy elements related to IFRS 17 to reflect the amended effective date of IFRS 17 (paragraphs 23–24).

New elements for reconciliation of assets for insurance acquisition cash flows

- 4 Paragraph 105A of IFRS 17 as amended in June 2020 requires an entity to disclose a reconciliation from the opening to the closing balance of assets for insurance acquisition cash flows recognised applying paragraph 28B. An entity shall aggregate information for the reconciliation at a level that is consistent with that for the reconciliation of insurance contracts, applying paragraph 98.
- 5 Paragraph 105B of IFRS 17 as amended in June 2020 requires an entity to separately disclose in the reconciliation required by paragraph 105A any impairment losses and reversals of impairment losses recognised applying paragraphs 28E–28F.
- 6 Consequently, the Board proposes new elements for the IFRS Taxonomy:

Text block

Element label	ET	ER	Reference
Disclosure of reconciliation of changes in assets for insurance acquisition cash flows	TB	D	IFRS 17.105A

Line items

Element label	ET	ER	Reference
Assets for insurance acquisition cash flows at beginning of period ^(a)	M	D	IFRS 17.105A
Increase (decrease) in assets for insurance acquisition cash flows	M	D	IFRS 17.105A
Decrease through impairment losses, assets for insurance acquisition cash flows	M	D	IFRS 17.105B
Increase through reversals of impairment losses, assets for insurance acquisition cash flows	M	D	IFRS 17.105B

continued...

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Element label	ET	ER	Reference
Assets for insurance acquisition cash flows at end of period	M	D	IFRS 17.105A

- (a) In the IFRS Taxonomy, the same element is used for reporting the amounts at the beginning and at the end of the period. Additional element labels are used to indicate the difference between opening and closing balance. These labels do not alter the accounting meanings of elements but are used for presentation purposes when displaying IFRS Taxonomy content. In this instance the element is 'Assets for insurance acquisition cash flows' and additional labels are 'Assets for insurance acquisition cash flows at beginning of period' and 'Assets for insurance acquisition cash flows at end of period'.

New table for analysis of when the assets for insurance acquisition cash flows will be derecognised

7 Paragraph 109A of IFRS 17 as amended in June 2020 requires an entity to disclose quantitatively, in appropriate time bands, when it expects to derecognise an asset for insurance acquisition cash flows applying paragraph 28C.

8 Consequently, the Board proposes to add a table to the IFRS Taxonomy to reflect this disclosure:

Table text block

Element label	ET	ER	Reference
Disclosure of information about expected derecognition of assets for insurance acquisition cash flows	TB	D	IFRS 17.109A

Line items

Element label	ET	ER	Reference
Assets for insurance acquisition cash flows ^(a)	M	D	IFRS 17.109A

- (a) This IFRS Taxonomy element was already added to the IFRS Taxonomy in paragraph 6.

Axes and members

9 The IFRS Taxonomy already includes a 'Maturity' axis that enables disclosure of information in time bands. Consequently, the Board proposes to add the 'Maturity' axis to this table.

Element label	ER	Reference ^(a)
Maturity (A)	D	IFRS 17.109A
Aggregated time bands (DM)	D	IFRS 17.109A
(...)		

(a) This axis and its members are used to disaggregate information in other tables as required by IFRS 17 and other IFRS Standards. For simplicity, this table includes only references related to the disclosure requirement described in this document.

IFRS Taxonomy changes for the amended disclosure related to the recognition of the contractual service margin in profit or loss

10 Before the amendments were made in June 2020, paragraph 109 of IFRS 17 required an entity to provide either qualitative or quantitative information about the expected recognition of the contractual service margin in profit or loss. *Amendments to IFRS 17* eliminates the option to provide qualitative information, hence requiring quantitative information.

11 Consequently, the Board proposes to deprecate³ an element located in the table:

Table text block

Element label	ET	ER	Reference
Disclosure of information about expected recognition of contractual service margin in profit or loss	TB	D	IFRS 17.109

Line items

Element label	ET	ER	Reference
Explanation of when entity expects to recognise remaining contractual service margin in profit or loss	T	D	IFRS 17.109
Contractual service margin	M	D	IFRS 17.109

Axes and members

Element label	ER	Reference
Maturity (A)	D	IFRS 17.109
Aggregated time bands (DM)	D	IFRS 17.109
(...)		

³ Deprecation means that an element is no longer recommended for use and is included within separate IFRS Taxonomy files. Please refer to Section 3 of *Using the IFRS Taxonomy—A preparer's guide* for more information on deprecated elements.

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- 12 Paragraph 117 of IFRS 17 requires an entity to disclose the significant judgements and changes in judgements made in applying IFRS 17. Specifically, it requires an entity to disclose the inputs, assumptions and estimation techniques used—for example, the approach used to determine investment components. Paragraph 117(c)(v) of IFRS 17 as amended in June 2020 adds a new approach to be disclosed to consider judgments related to the amended recognition of the contractual service margin. This is the approach used to determine the relative weighting of the benefits provided by insurance coverage and investment-return service or by insurance coverage and investment-related service.
- 13 In addition, Appendix A of IFRS 17 as amended in June 2020 defines insurance contract services, specifying that insurance contract services include investment-return services, for insurance contracts without direct participation features, and investment-related services for insurance contracts with direct participation features. The Board proposes to add this information to the element labels for easier identification of the appropriate IFRS Taxonomy element.
- 14 Consequently, the Board proposes to add two new IFRS Taxonomy elements to reflect this new disclosure requirement:

Element label	ET	ER	Reference
Disclosure of significant judgements and changes in judgements made in applying IFRS 17	TB	D	IFRS 17.117
(...)			
Description of approach used to determine investment components	T	D	IFRS 17.117(c)(iv)
Description of approach used to determine relative weighting of the benefits provided by insurance coverage and investment-return service, insurance contracts without direct participation features	T	D	IFRS 17.117(c)(v)
Description of approach used to determine relative weighting of the benefits provided by insurance coverage and investment-related service, insurance contracts with direct participation features	T	D	IFRS 17.117(c)(v)

IFRS Taxonomy changes for the amended disclosures related to the analysis of insurance revenue

- 15 Paragraph 106 of IFRS 17 requires an analysis of the insurance revenue recognised in the period. This analysis comprises the amounts relating to the changes in the liability for remaining coverage, for example the amount of the contractual service margin recognised in profit or loss because of the transfer of services in the period, as specified in paragraph B124(c). *Amendments to IFRS 17* introduces the following changes:
- (a) paragraph 106(a)(iii) is amended to clarify that the amount of the contractual service margin recognised in profit or loss is because of the transfer of insurance contract services in the period, as specified in paragraph B124(c).
 - (b) paragraph 106(a)(iv) adds a requirement to separately disclose other amounts, if any, for example, experience adjustments for premium receipts other than those that relate to future service as specified in paragraph B124(d).
- 16 Consequently, the Board proposes to add an IFRS Taxonomy element and amend an IFRS Taxonomy element:

Table text block

Element label	ET	ER	Reference
Disclosure of analysis of insurance revenue	TB	D	IFRS 17.106

Line items

Element label	ET	ER	Reference
Insurance revenue	M	D	IFRS 17.80(a), IFRS 17.106
Insurance revenue, amounts relating to changes in liability for remaining coverage	M	D	IFRS 17.106(a)
(...)			
Insurance revenue, contractual service margin recognised in profit or loss because of transfer of <u>insurance contract services</u>	M	D	IFRS 17.106(a)(iii)
Insurance revenue, other amounts	M	D	IFRS 17.106(a)(iv)

Amended labels for the existing elements

17 The IFRS Taxonomy includes documentation labels (also called definitions) that clarify the accounting meaning of an element to help preparers identify the correct element to use when tagging financial statements and to help users of financial statements understand information reported electronically.

18 *Amendments to IFRS 17* has changed some definitions. Consequently, the Board proposes to change the corresponding documentation labels:

Element label	Documentation label
Contractual service margin [member]	This member stands for a component of the carrying amount of the asset or liability for a group of insurance contracts representing the unearned profit the entity will recognise as it provides <u>insurance contract</u> services under the insurance contracts in the group.
Description of approach used to determine investment components	The description of the approach used to determine investment components when applying IFRS 17. Investment components are the amounts that an insurance contract requires the entity to repay to a policyholder <u>in all circumstances, regardless of whether an insured event occur</u> even if an insured event does not occur.
Estimates of present value of insurance acquisition cash flows [member]	This member stands for the estimates of the present value of the insurance acquisition cash flows. Insurance acquisition cash flows are cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts (<u>issued or expected to be issued</u>) that are directly attributable to the portfolio of insurance contracts to which the group belongs. Such cash flows include cash flows that are not directly attributable to individual contracts or groups of insurance contracts within the portfolio.
Increase (decrease) through amortisation of insurance acquisition cash flows, insurance contracts liability (asset)	The increase (decrease) in insurance contracts liability (asset) resulting from insurance acquisition cash flows. Insurance acquisition cash flows are cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts (<u>issued or expected to be issued</u>) that are directly attributable to the portfolio of insurance contracts to which the group belongs. Such cash flows include cash flows that are not directly attributable to individual contracts or groups of insurance contracts within the portfolio. [Refer: Insurance contracts liability (asset)]

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Element label	Documentation label
Increase (decrease) through experience adjustments, insurance contracts liability (asset)	The increase (decrease) in insurance contracts liability (asset) resulting from experience adjustments, <u>excluding amounts related to the risk adjustment for non-financial risk included in paragraph 104(b)(ii) of IFRS 17</u> . Experience adjustment is a difference between: (a) for premium receipts (and any related cash flows such as insurance acquisition cash flows and insurance premium taxes) - the estimate at the beginning of the period of the amounts expected in the period and the actual cash flows in the period; or (b) for insurance service expenses (excluding insurance acquisition expenses) - the estimate at the beginning of the period of the amounts expected to be incurred in the period and the actual amounts incurred in the period. [Refer: Insurance contracts liability (asset)]
Liabilities for incurred claims [member]	This member stands for an entity's obligation to: <u>(a) investigate and pay valid claims for insured events that have already occurred, including events that have occurred but for which claims have not been reported, and other incurred insurance expenses; and (b) pay amounts that are not included in (a) and that relate to: (i) insurance contract services that have already been provided; or (ii) any investment components or other amounts that are not related to the provision of insurance contract services and that are not in the liability for remaining coverage.</u>

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Element label	Documentation label
Net liabilities or assets for remaining coverage excluding loss component [member]	This member stands for the net liabilities or assets for the remaining coverage component, excluding any loss component. A liability for remaining coverage is an entity's obligation to: <u>(a) investigate and pay valid claims under existing insurance contracts for insured events that have not yet occurred (ie the obligation that relates to the unexpired portion of the insurance coverage period); and (b) pay amounts under existing insurance contracts that are not included in (a) and that relate to: (i) insurance contract services not yet provided (ie the obligations that relate to future provision of insurance contract services); or (ii) any investment components or other amounts that are not related to the provision of insurance contract services and that have not been transferred to the liability for incurred claims.</u> [Refer: Insurance contracts [member]; Loss component [member]]

19 Paragraph 128 of IFRS 17 required an entity to provide information about sensitivities to changes in risk exposures arising from insurance contracts within the scope of IFRS 17. *Amendments to IFRS 17* clarifies that sensitivities are related to changes in risk variables rather than to changes in risk exposures.

20 Consequently, the Board proposes changes to 17 IFRS Taxonomy elements' labels (including documentation labels) related to this disclosure. The table below shows a few examples:

Element label	Documentation label
Description of methods and assumptions used in preparing sensitivity analysis to changes in risk <u>exposures variables</u> that arise from contracts within scope of IFRS 17	The description of the methods and assumptions used in preparing the sensitivity analysis to changes in risk <u>exposures variables</u> that arise from contracts within the scope of IFRS 17.
Description of changes in methods and assumptions used in preparing sensitivity analysis to changes in risk <u>exposures variables</u> that arise from contracts within scope of IFRS 17	The description of the changes in the methods and assumptions used in preparing the sensitivity analysis to changes in risk <u>exposures variables</u> that arise from contracts within the scope of IFRS 17.

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Element label	Documentation label
Description of reasons for changes in methods and assumptions used in preparing sensitivity analysis to changes in risk <u>exposuresvariables</u> that arise from contracts within scope of IFRS 17	The description of the reasons for changes in the methods and assumptions used in preparing the sensitivity analysis to changes in risk <u>exposuresvariables</u> that arise from contracts within the scope of IFRS 17.

- 21 Paragraph 98 of IFRS 17 requires disclosure of reconciliations that show how the net carrying amounts of contracts within the scope of IFRS 17 changed during the period because of cash flows and income and expenses recognised in the statement(s) of financial performance. In the reconciliations, applying paragraph 103 of IFRS 17, an entity shall separately disclose specified amounts related to services. Paragraph 103(c) of IFRS 17 as amended in June 2020 clarified that one of those amounts, ‘investment components excluded from insurance revenue and insurance service expenses’, should combine refunds of premiums unless refunds of premiums are presented as part of the cash flows in the period described in paragraph 105(a)(i). Consequently, the Board proposes to change the corresponding documentation label:

Element label	Documentation label
Increase (decrease) through investment components excluded from insurance revenue and insurance service expenses, insurance contracts liability (asset)	The increase (decrease) in insurance contracts liability (asset) resulting from investment components excluded from insurance revenue and insurance service expenses <u>(combined with refunds of premiums unless refunds of premiums are presented as part of the cash flows in the period described in paragraph 105(a)(i) of IFRS 17)</u> . [Refer: Description of approach used to determine investment components; Insurance contracts liability (asset)]

Documentation labels for the proposed new elements

22 The Board proposes the following documentation labels for the new IFRS Taxonomy elements created to reflect the amendments to IFRS 17:

Element label	Documentation label
Disclosure of reconciliation of changes in assets for acquisition cash flows	The disclosure of the reconciliation of changes in assets for insurance acquisition cash flows recognised for insurance acquisition cash flows paid (or insurance acquisition cash flows for which a liability has been recognised applying another IFRS Standard) before the related group of insurance contracts is recognised.
Assets for insurance acquisition cash flows	The amount of insurance acquisition cash flows that are assets, recognised for insurance acquisition cash flows paid (or insurance acquisition cash flows for which a liability has been recognised applying another IFRS Standard) before the related group of insurance contracts is recognised. Insurance acquisition cash flows are cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. Such cash flows include cash flows that are not directly attributable to individual contracts or groups of insurance contracts within the portfolio. [Refer: Assets; Insurance contracts [member]]
Increase (decrease) in assets for insurance acquisition cash flows	The increase (decrease) in assets for insurance acquisition cash flows. [Refer: Assets; Insurance contracts [member]; Assets for insurance acquisition cash flows]
Decrease through impairment losses, assets for insurance acquisition cash flows	The decrease in assets for insurance acquisition cash flows resulting from impairment losses recognised in the period. [Refer: Insurance contracts [member]; Assets for insurance acquisition cash flows]
Increase through reversals of impairment losses, assets for insurance acquisition cash flows	The increase in assets for insurance acquisition cash flows resulting from reversals of impairment losses recognised in the period. [Refer: Insurance contracts [member]; Assets for insurance acquisition cash flows]

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Element label	Documentation label
Disclosure of information about expected derecognition of assets for insurance acquisition cash flows	The disclosure of information about the expected derecognition of the assets for insurance cash flows. [Refer: Insurance contracts [member]; Assets for insurance acquisition cash flows; Insurance contracts liability (asset)]
Description of approach used to determine relative weighting of benefits provided by insurance coverage and investment-return service, insurance contracts without direct participation features	The description of the approach used to determine the relative weighting of the benefits provided by insurance coverage and investment-return service for insurance contracts without direct participation features. Insurance contracts without direct participation features are insurance contracts that are not insurance contracts with direct participation features. [Refer: Description of composition of underlying items for contracts with direct participation features]
Description of approach used to determine relative weighting of benefits provided by insurance coverage and investment-related service, insurance contracts with direct participation features	The description of the approach used to determine the relative weighting of the benefits provided by insurance coverage and investment-related service for insurance contracts with direct participation features. [Refer: Description of composition of underlying items for contracts with direct participation features]
Insurance revenue, other amounts	The amount of insurance revenue recognised in the period related to other amounts, if any, for example experience adjustments for premium receipts other than those that relate to future service, as specified in paragraph B124(d) of IFRS 17. [Refer: Insurance revenue]

Effective date

- 23 *Amendments to IFRS 17*, issued in June 2020, amended the effective date of IFRS 17 such that it shall be applied for annual reporting periods beginning on or after 1 January 2023, rather than annual reporting periods beginning on or after 1 January 2021. Consequently, the Board proposes to change the effective date of IFRS Taxonomy elements referenced to IFRS 17 from 1 January 2021 to 1 January 2023. Early application of the Standard, and therefore use of the IFRS Taxonomy elements, is permitted for entities that apply IFRS 9 on or before the date of initial application of IFRS 17.

- 24 IFRS 17 supersedes IFRS 4 *Insurance Contracts*. The IFRS Taxonomy elements related to the superseded Standard will be deprecated when IFRS 17 becomes effective. Consequently, the Board proposed to change the expiry date of IFRS Taxonomy elements referenced to IFRS 4 from 1 January 2021 to 1 January 2023.

Proposed changes to the IFRS Taxonomy as a result of amendments to other IFRS Standards arising from *Amendments to IFRS 17*

- 25 *Amendments to IFRS 17* also amended IFRS 9. Paragraph 7.2.42 of amended IFRS 9 requires, in the reporting period that includes the date of initial application of those amendments, disclosure of the following information as at that date of initial application for each class of financial assets and financial liabilities that was affected by those amendments:

- (a) the previous classification, including the previous measurement category when applicable, and carrying amount determined immediately before applying those amendments;
- (b) the new measurement category and carrying amount determined after applying those amendments;
- (c) the carrying amount of any financial liabilities in the statement of financial position that were previously designated as measured at fair value through profit or loss but are no longer so designated; and
- (d) the reasons for any designation or de-designation of financial liabilities as measured at fair value through profit or loss.

- 26 Similar disclosure requirements currently exist in paragraphs C32–C33 of IFRS 17 *Insurance Contracts*. Those disclosure requirements were modelled in the IFRS Taxonomy Update published in January 2018 and the Board proposes to model the requirements of the amended IFRS 9 on a similar basis.

- 27 Consequently, the Board proposes to add two tables to the IFRS Taxonomy—one for financial assets and the other for financial liabilities.

New table for financial assets

- 28 The Board proposes the following new table for the IFRS Taxonomy:

Table text block

Element label	ET	ER	Reference
Disclosure of financial assets affected by amendments to IFRS 9 made by IFRS 17	TB	D	IFRS 9.7.2.42

Line items

Element label	ET	ER	Reference
Financial assets affected by amendments to IFRS 9 made by IFRS 17, classification immediately before applying amendments	T	D	IFRS 9.7.2.42(a)
Financial assets affected by amendments to IFRS 9 made by IFRS 17, measurement category immediately before applying amendments	T	D	IFRS 9.7.2.42(a)
Financial assets affected by amendments to IFRS 9 made by IFRS 17, carrying amount immediately before applying amendments	M	D	IFRS 9.7.2.42(a)
Financial assets affected by amendments to IFRS 9 made by IFRS 17, measurement category after applying amendments	T	D	IFRS 9.7.2.42(b)
Financial assets affected by amendments to IFRS 9 made by IFRS 17, carrying amount after applying amendments	M	D	IFRS 9.7.2.42(b)

Axes and members

- 29 To provide information for each class of financial assets, the table uses the existing IFRS Taxonomy axis ‘Classes of financial assets’ and its members.

New table for financial liabilities

- 30 As a consequence of the requirements described in paragraph 25, the Board proposes the following new table for the IFRS Taxonomy:

Table text block

Element label	ET	ER	Reference
Disclosure of financial liabilities affected by amendments to IFRS 9 made by IFRS 17	TB	D	IFRS 9.7.2.42

Line items

Element label	ET	ER	Reference
Financial liabilities affected by amendments to IFRS 9 made by IFRS 17, classification immediately before applying amendments	T	D	IFRS 9.7.2.42(a)

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Element label	ET	ER	Reference
Financial liabilities affected by amendments to IFRS 9 made by IFRS 17, measurement category immediately before applying amendments	T	D	IFRS 9.7.2.42(a)
Financial liabilities affected by amendments to IFRS 9 made by IFRS 17, carrying amount immediately before applying amendments	M	D	IFRS 9.7.2.42(a)
Financial liabilities affected by amendments to IFRS 9 made by IFRS 17, measurement category after applying amendments	T	D	IFRS 9.7.2.42(b)
Financial liabilities affected by amendments to IFRS 9 made by IFRS 17, carrying amount after applying amendments	M	D	IFRS 9.7.2.42(b)
Financial liabilities that were designated as measured at fair value through profit or loss before application of amendments to IFRS 9 made by IFRS 17 but are no longer so designated	M	D	IFRS 9.7.2.42(c)
Description of reasons for designation or de-designation of financial liabilities as measured at fair value through profit or loss when applying amendments to IFRS 9 made by IFRS 17	T	D	IFRS 9.7.2.42(d)

Axes and members

- 31 To provide information for each class of financial liabilities, the table uses the existing IFRS Taxonomy axis ‘Classes of financial liabilities’ and its members.

Documentation labels for the proposed new elements

- 32 The Board proposes the following documentation labels for the new IFRS Taxonomy elements created to reflect amendments to other IFRS Standards arising from *Amendments to IFRS 17*:

Element label	Documentation label
Disclosure of financial assets affected by amendments to IFRS 9 made by IFRS 17	The disclosure of financial assets affected by amendments to IFRS 9 made by IFRS 17.

continued...

IFRS TAXONOMY 2020—AMENDMENTS TO IFRS 17, IFRS 4 AND IAS 16

...continued

Element label	Documentation label
Financial assets affected by amendments to IFRS 9 made by IFRS 17, classification immediately before applying amendments	The classification of financial assets affected by the amendments to IFRS 9 made by IFRS 17, immediately before applying the amendments.
Financial assets affected by amendments to IFRS 9 made by IFRS 17, measurement category immediately before applying amendments	The measurement category of financial assets affected by the amendments to IFRS 9 made by IFRS 17, immediately before applying the amendments.
Financial assets affected by amendments to IFRS 9 made by IFRS 17, carrying amount immediately before applying amendments	The carrying amount of financial assets affected by the amendments to IFRS 9 made by IFRS 17, immediately before applying the amendments.
Financial assets affected by amendments to IFRS 9 made by IFRS 17, measurement category after applying amendments	The measurement category of financial assets affected by the amendments to IFRS 9 made by IFRS 17, after applying the amendments.
Financial assets affected by amendments to IFRS 9 made by IFRS 17, carrying amount after applying amendments	The carrying amount of financial assets affected by the amendments to IFRS 9 made by IFRS 17, after applying the amendments.
Disclosure of financial liabilities affected by amendments to IFRS 9 made by IFRS 17	The disclosure of financial liabilities affected by amendments to IFRS 9 made by IFRS 17.
Financial liabilities affected by amendments to IFRS 9 made by IFRS 17, classification immediately before applying amendments	The classification of financial liabilities affected by the amendments to IFRS 9 made by IFRS 17, immediately before applying the amendments.
Financial liabilities affected by amendments to IFRS 9 made by IFRS 17, measurement category immediately before applying amendments	The measurement category of financial liabilities affected by the amendments to IFRS 9 made by IFRS 17, immediately before applying the amendments.
Financial liabilities affected by amendments to IFRS 9 made by IFRS 17, carrying amount immediately before applying amendments	The carrying amount of financial liabilities affected by the amendments to IFRS 9 made by IFRS 17, immediately before applying the amendments.

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Element label	Documentation label
Financial liabilities affected by amendments to IFRS 9 made by IFRS 17, measurement category after applying amendments	The measurement category of financial liabilities affected by the amendments to IFRS 9 made by IFRS 17, after applying the amendments.
Financial liabilities affected by amendments to IFRS 9 made by IFRS 17, carrying amount after applying amendments	The carrying amount of financial liabilities affected by amendments to IFRS 9 made by IFRS 17, after applying the amendments.
Financial liabilities that were designated as measured at fair value through profit or loss before application of amendments to IFRS 9 made by IFRS 17 but are no longer so designated	The carrying amount of any financial liabilities in the statement of financial position that were previously designated as measured at fair value through profit or loss but are no longer so designated when the entity applies the amendments to IFRS 9 made by IFRS 17. [Refer: Financial liabilities at fair value through profit or loss]
Description of reasons for designation or de-designation of financial liabilities as measured at fair value through profit or loss when applying amendments to IFRS 9 made by IFRS 17	The description of the reasons for any designation or de-designation of financial liabilities as measured at fair value through profit or loss when the entity applies the amendments to IFRS 9 made by IFRS 17. [Refer: Financial liabilities at fair value through profit or loss; Financial liabilities that were designated as measured at fair value through profit or loss before application of amendments to IFRS 9 made by IFRS 17 but are no longer so designated]

Effective date

- 33 Amendments to IFRS 9, issued in June 2020, shall be applied when an entity applies IFRS 17. Consequently, the Board proposes to add effective dates to those elements ‘Effective on first application of IFRS 17’.

Proposed changes to the IFRS Taxonomy as a result of *Extension of the Temporary Exemption from IFRS 9*

Effective date

- 34 *Extension of the Temporary Exemption from IFRS 9*, issued in June 2020, amended IFRS 4 to extend the optional temporary exemption from applying IFRS 9 to annual reporting periods beginning on or after 1 January 2023. Insurers applying that exemption apply IAS 39 *Financial Instruments: Recognition and Measurement* rather than IFRS 9.
- 35 IFRS 7 *Financial Instruments: Disclosures* includes disclosure requirements for financial instruments accounted for applying IAS 39. To reflect the extension of the optional temporary exemption from applying IFRS 9, the Board proposes to change the expiry date of IFRS Taxonomy elements referenced to IFRS 7 that apply to financial instruments accounted for applying IAS 39. The proposed expiry date for such IFRS Taxonomy elements would be 1 January 2023 instead of 1 January 2021 as originally published.

Proposed changes to the IFRS Taxonomy as a result of *Property, Plant and Equipment—Proceeds before Intended Use*

- 36 Paragraph 74A of IAS 16 as amended in May 2020 adds the requirement for an entity to disclose, if not presented separately in the statement of comprehensive income:
- (a) the amounts of proceeds and cost included in profit or loss in accordance with paragraph 20A that relate to items produced that are not an output of the entity's ordinary activities; and
 - (b) which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.
- 37 The amendments also changed the paragraph number for the disclosure requirement related to the amount of compensation from third parties for items of property, plant and equipment that were impaired, lost or given up that is included in profit or loss.
- 38 Consequently, the Board proposes the following changes to the IFRS Taxonomy:

Element label	ET	ER	Reference
Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up	M	D	IAS 16.74(d) <u>IAS 16.74A(a)</u>

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Element label	ET	ER	Reference
Proceeds included in profit or loss in accordance with paragraph 20A of IAS 16 that relate to items produced that are not output of entity's ordinary activities	M	D	IAS 16.74A(b)
Cost included in profit or loss in accordance with paragraph 20A of IAS 16 that relates to items produced that are not output of entity's ordinary activities	M	D	IAS 16.74A(b)
Description of line item(s) in statement of comprehensive income that include proceeds and cost included in profit or loss in accordance with paragraph 20A of IAS 16	T	D	IAS 16.74A(b)

Documentation labels for the proposed new elements

39 The Board proposes the following documentation labels for the new IFRS Taxonomy elements created to reflect the amendments to IAS 16:

Element label	Documentation label
Proceeds included in profit or loss in accordance with paragraph 20A of IAS 16 that relate to items produced that are not output of entity's ordinary activities	The amount of proceeds included in profit or loss in accordance with paragraph 20A of IAS 16 that relate to items produced that are not an output of the entity's ordinary activities and are produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management.
Cost included in profit or loss in accordance with paragraph 20A of IAS 16 that relates to items produced that are not output of entity's ordinary activities	The amount of cost included in profit or loss in accordance with paragraph 20A of IAS 16 that relate to items produced that are not an output of the entity's ordinary activities and are produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management.

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Element label	Documentation label
Description of line item(s) in statement of comprehensive income that include proceeds and cost included in profit or loss in accordance with paragraph 20A of IAS 16	Description of line item(s) in the statement of comprehensive income which include proceeds and cost included in profit or loss in accordance with paragraph 20A of IAS 16. [Refer: Proceeds included in profit or loss in accordance with paragraph 20A of IAS 16 that relate to items produced that are not an output of entity's ordinary activities; Cost included in profit or loss in accordance with paragraph 20A of IAS 16 that relate to items produced that are not an output of entity's ordinary activities]

Effective date

- 40 Amendments to IAS 16, issued in May 2020, shall be applied for annual reporting periods beginning on or after 1 January 2022. Earlier application of the amendments, and therefore earlier use of the IFRS Taxonomy elements, is permitted.

Approval by the Board of Proposed IFRS Taxonomy Update 2 published in July 2020

Proposed IFRS Taxonomy Update *Amendments to IFRS 17, Extension of the Temporary Exemption from Applying IFRS 9 and Property, Plant and Equipment—Proceeds before Intended Use* was approved for publication by the 14 members of the International Accounting Standards Board.

Hans Hoogervorst	Chairman
Suzanne Lloyd	Vice-Chair
Nick Anderson	
Tadeu Cendon	
Martin Edelmann	
Françoise Flores	
Gary Kabureck	
Jianqiao Lu	
Darrel Scott	
Thomas Scott	
Chungwoo Suh	
Rika Suzuki	
Ann Tarca	
Mary Tokar	

Appendix—IFRS Taxonomy content terminology

The tables in this appendix provide a brief explanation of 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’. • 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 or distinguish between opening and closing balances. Those additional labels do not alter the accounting meaning of the element but are used for presentation purposes when displaying IFRS Taxonomy content. • element types (ET) – categories of permitted data values, for example, text (T), text block (TB), monetary (M), decimal (DEC), percentage (P). <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 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, etc.

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Core content—IFRS Taxonomy elements	
	<ul style="list-style-type: none"> • element properties, such as the: <ul style="list-style-type: none"> • 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 • 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 to help users better understand 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 uses the calculation linkbase to help users better understand 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 as tables) have been grouped. This supports 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; 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. This supports 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.