

August 2020

IFRS[®] Taxonomy Update

IFRS Taxonomy 2020

Covid-19-Related Rent Concessions

Amendment to IFRS 16

IASB[®]

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IFRS[®] Taxonomy 2020

Update 1

Covid-19-Related Rent Concessions

Amendment to IFRS 16

IFRS® Taxonomy 2020—Update 1 *Covid-19-Related Rent Concessions* is issued by the International Accounting Standards Board (Board).

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Overview of the amendments to the IFRS Taxonomy

Introduction

In May 2020 the International Accounting Standards Board (Board) issued *Covid-19-Related Rent Concessions*, which amended IFRS 16 *Leases*. That amendment permits a lessee, as a practical expedient, to elect not to assess whether a rent concession occurring as a direct consequence of the covid-19 pandemic that meets the conditions in paragraph 46B of IFRS 16 is a lease modification. Instead, a lessee that elects to apply the practical expedient would be required to account for any change in lease payments resulting from the rent concession as if it were not a lease modification.

The amendment to IFRS 16 requires that if a lessee applies the practical expedient, the lessee shall disclose:

- (a) that it has applied the practical expedient to all rent concessions that meet the conditions in paragraph 46B or, if not applied to all such rent concessions, information about the nature of the contracts to which it has applied the practical expedient; and
- (b) the amount recognised in profit or loss for the reporting period to reflect changes in lease payments that arise from rent concessions to which the lessee has applied the practical expedient in paragraph 46A.

To reflect these new disclosure requirements in the IFRS Taxonomy, the Board added:

- (a) three elements to the IFRS Taxonomy (see paragraph 3);
- (b) documentation labels for these newly created elements (see paragraph 4); and
- (c) a guidance label to provide guidance on the correct use of the newly created monetary element (see paragraphs 5–7).

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 provides brief explanations of the IFRS Taxonomy terms used in this document.

XBRL properties

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

IFRS Taxonomy version

The IFRS Taxonomy files for this update are based on the *IFRS Taxonomy 2020*, published in March 2020.

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>.

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

New disclosures introduced by the amendment to IFRS 16 *Leases*

- 1 Paragraph 60A of IFRS 16 *Leases*, as added in May 2020, requires that if a lessee applies the practical expedient to rent concessions, as set out in paragraph 46A of IFRS 16, the lessee shall disclose:
- (a) that it has applied the practical expedient to all rent concessions that meet the conditions in paragraph 46B or, if not applied to all such rent concessions, information about the nature of the contracts to which it has applied the practical expedient; and
 - (b) the amount recognised in profit or loss for the reporting period to reflect changes in lease payments that arise from rent concessions to which the lessee has applied the practical expedient in paragraph 46A.
- 2 Consequently, the Board added three elements to the IFRS Taxonomy—two descriptive and one monetary—in the presentation group [832610] Notes - Leases.

New elements

- 3 So that the IFRS Taxonomy reflects the requirements described in paragraph 1, the following new elements are created in the IFRS Taxonomy:²

Element label	ET	ER	Reference
Statement that lessee applied practical expedient in paragraph 46A of IFRS 16 to all rent concessions occurring as direct consequence of covid-19 pandemic that meet conditions in paragraph 46B of IFRS 16	T	D	IFRS 16.60A(a)
Disclosure of information about nature of contracts to which lessee applied practical expedient in paragraph 46A of IFRS 16 if it is not applied to all rent concessions occurring as direct consequence of covid-19 pandemic	TB	D	IFRS 16.60A(a)
Amount recognised in profit or loss for reporting period to reflect changes in lease payments that arise from rent concessions occurring as direct consequence of covid-19 pandemic to which lessee applied practical expedient in paragraph 46A of IFRS 16	M	D	IFRS 16.60A(b)

² 'ET' and 'ER' represent element type and element reference type, respectively. Element types 'M', 'T' and 'TB' represent monetary, text and text block element types, respectively. Refer to the Appendix for an explanation of the difference between text and text blocks. Element reference type 'D' represents disclosure requirements.

Documentation labels for new elements

- 4 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 the tagged information. The table below includes the documentation labels for the new elements described in paragraph 3.

Element label	Documentation label
Statement that lessee applied practical expedient in paragraph 46A of IFRS 16 to all rent concessions occurring as direct consequence of covid-19 pandemic that meet conditions in paragraph 46B of IFRS 16	The statement that the lessee has applied the practical expedient in paragraph 46A of IFRS 16 to all of the rent concessions occurring as a direct consequence of the covid-19 pandemic that meet the conditions in paragraph 46B of IFRS 16.
Disclosure of information about nature of contracts to which lessee applied practical expedient in paragraph 46A of IFRS 16 if it is not applied to all rent concessions occurring as direct consequence of covid-19 pandemic	The disclosure of information about the nature of the contracts to which the lessee has applied the practical expedient in paragraph 46A of IFRS 16, if the lessee has not applied the practical expedient to all rent concessions occurring as a direct consequence of the covid-19 pandemic that meet the conditions in paragraph 46B of IFRS 16.
Amount recognised in profit or loss for reporting period to reflect changes in lease payments that arise from rent concessions occurring as direct consequence of covid-19 pandemic to which lessee applied practical expedient in paragraph 46A of IFRS 16	The amount recognised in profit or loss for the reporting period to reflect changes in lease payments that arise from rent concessions occurring as a direct consequence of the covid-19 pandemic, to which the lessee has applied the practical expedient in paragraph 46A of IFRS 16.

New guidance label

- 5 Guidance labels provide guidance to preparers on the correct use of IFRS Taxonomy elements within the tagged financial statements. For example, some guidance labels provide guidance on whether a tagged value should be reported with a positive or negative sign.
- 6 The Board assigned a ‘credit balance attribute’ to the new monetary element ‘Amount recognised in profit or loss for reporting period to reflect changes in lease payments that arise from rent concessions occurring as direct consequence of covid-19 pandemic to which lessee applied practical expedient in paragraph 46A of IFRS 16’ because this amount is normally a reduction in the total expenses included in the statement of profit or loss. Consequently, if

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the amount recognised in profit or loss reflecting the change in lease payments is a credit, a positive XBRL value would be used in the tagged financial statements.

- 7 To support correct use of the new monetary element, the Board added the following guidance label:

Element label	Documentation label
Amount recognised in profit or loss for reporting period to reflect changes in lease payments that arise from rent concessions occurring as direct consequence of covid-19 pandemic to which lessee applied practical expedient in paragraph 46A of IFRS 16	A positive XBRL value should be used to indicate when the amount represents a change that reduces the lease payments.

Effective date

- 8 The amendment to IFRS 16 applies to annual reporting periods beginning on or after 1 June 2020. Earlier application of the amendment is permitted, including in financial statements not authorised for issue at 28 May 2020. Therefore, earlier use of the IFRS Taxonomy elements is permitted.

Approval by the Board of IFRS Taxonomy *Covid-19-Related Rent Concessions* issued in August 2020

IFRS Taxonomy Update *Covid-19-Related Rent Concessions* was approved for issue by 12 of 13 members of the International Accounting Standards Board. Zachary Gast abstained in view of his recent appointment to the Board.

Hans Hoogervorst Chairman

Suzanne Lloyd Vice-Chair

Nick Anderson

Tadeu Cendon

Martin Edelmann

Françoise Flores

Jianqiao Lu

Darrel Scott

Thomas Scott

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. • guidance labels – which are implementation notes that provide additional help to preparers on the correct use of IFRS Taxonomy elements within the tagged financial statements.

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.