June 2016 Agenda Paper 4

IFRS® Foundation

The views expressed in this presentation are those of the presenter,

IFRS Taxonomy implementation

ITCG meeting, June 2016

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The views expressed in this presentation are those of the presenter, not necessarily those of the International Accounting Standards Board (the Board) or IFRS Foundation.

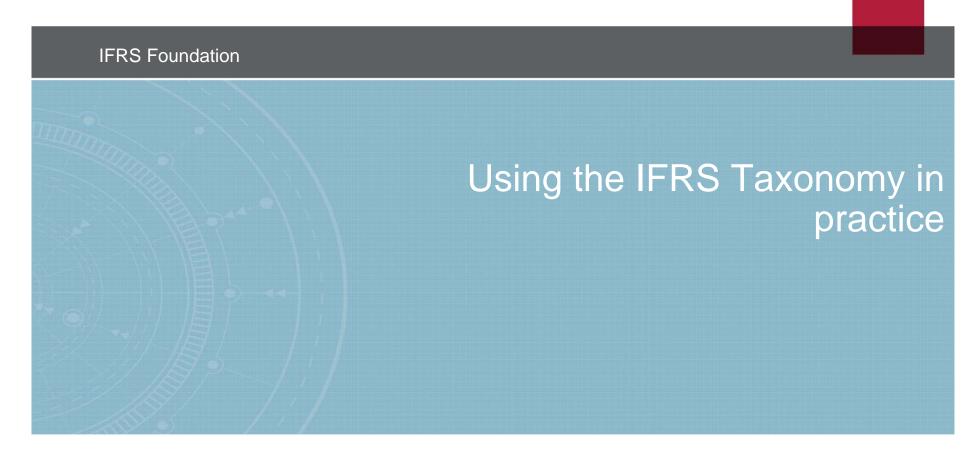
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Agenda

- Experiences with using the IFRS Taxonomy in practice
- Taxonomy implementation support:
 - US GAAP Taxonomy
 - IFRS Taxonomy currently available
 - IFRS Taxonomy ideas for the future
- Break-out session
- Summary of break-out session





Using the IFRS Taxonomy in practice

 TBC - PwC presentation on experiences with tagging IFRS financial statements using the IFRS Taxonomy



IFRS Foundation Taxonomy implementation us GAAP Taxonomy



US GAAP Taxonomy implementation support

- Louis Matherne (FASB Chief of Taxonomy Development) presentation about:
 - Taxonomy Implementation Guides documents communicating how the Taxonomy is designed
 - Taxonomy Implementation Notes (TIN) custom references containing information about appropriate use of element, its sign, replacement elements (in case of an upcoming change), etc



IFRS Foundation Taxonomy implementation support: IFRS Taxonomy – now



IFRS Taxonomy support – now

- The IFRS Taxonomy files and materials currently include some content aimed at supporting consistent implementation of the Taxonomy.
- This content includes:
 - References to IFRS Standards, inluding the IFRS for SMEs
 - Documentation labels (since 2014)
 - Illustrative examples (since 2011)
 - Taxonomy Update documents (since 2013)



IFRS Taxonomy support – references and labels

- References inform users about the accounting sources of elements
- Documentation labels provide accounting definitions of elements

type	value				
name	PropertyPlantAndEquipment ÷				
Label:	▼				
type	value				
label (en)	Property, plant and equipment				
documentation (en)	The amount of tangible assets that: (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used during more than one period.				
Reference: ▼					
type	value				
disclosureRef	IAS 1 2016-01-13 54 a http://eifrs.ifrs.org/eifrs/XBRL?type=IAS#=1&date=2016-03-30&anchor=para_54_a&docty pe=Standard 2016-04-28				
disclosureRef	IAS 16 2016-01-13 73 e http://eifrs.ifrs.org/eifrs/XBRL?type=IAS#=16&date=2016-03-30&anchor=para_73_e&doct ype=Standard 2016-04-28				



IFRS Taxonomy support – illustrative examples

• 16 illustrative examples are currently available, covering most of the presentation and disclosure examples in the IFRS Bound Volume

Example Content
1 IFRS for SMEs Illustrative Financial Statements
2 IAS 1 Presentation of Financial Statements
3 IAS 7 Statement of Cash Flows
4 IFRS 7 Financial Instruments: Disclosures (Gain or loss on initial recognition)
5 IFRS 8 Operating Segments
6 IFRS 1 First-time Adoption of IFRS
7 IFRS 2 Share-based Payment
8 IFRS 3 Business Combinations
9 IAS 16 Property, Plant and Equipment
10 IAS 12 Income Taxes
12 IAS 27 Separate Financial Statements
15 IFRS 13 Fair Value Measurement
16 IFRS 7 Financial Instruments: Disclosures (Offsetting)
17 IFRS 14 Regulatory Deferral Accounts
18 IFRS 15 Revenue from Contracts with Customers
19 IFRS 7 Financial Instruments: Disclosures (Credit risk exposure)



IFRS Taxonomy support – illustrative examples

• Illustrative examples are available in XBRL format for users who work with XBRL software

	Property, plant and equipment		
	Land and	Fixtures and	
Gross carryi ▼ ● Property, plant and equipment	buildings	fittings	
Gross carrying Property, plant and equipment	(Abstract)	(Abstract)	(Abstract)
amount Property, plant and equipment	(Abstract)	(Abstract)	(Abstract)
Property, plant and equipment	(Abstract)	(Abstract)	(Abstract)
Changes in property, plant and equipment	(Abstract)	(Abstract)	(Abstract)
Additions other than through business combinations,	(No contexts d	485,000	485,000
Depreciation, property, plant and equipment	(No contexts d	-	-
Impairment loss recognised in profit or loss, propert	(No contexts d	-	-
Disposals, property, plant and equipment	(No contexts d	241,000	241,000
Total increase (decrease) in property, plant and equ	(No contexts d	244,000	244,000
Property, plant and equipment	1,960,000	1,346,045	3,306,045



IFRS Taxonomy support – illustrative examples

• Illustrative examples are also available in html format (inline XBRL) for users who find this format more accessible

IFRS Taxonomy 2016 – Illustrative examples

Reconciliation of changes in property, plant and equipment

Synthetic example on the base of illustrative example from IFRS for SMEs demonstrating the reconciliation of gross carrying amount, accumulated depreciation and carrying amount of property, plant and equipment using detailed XBRL tagging.

	Year ended 31-Dec-2012			
	Land and buildings	Fixtures and fittings	Property, plant and equipment	
Gross carrying amount				
Property, plant and equipment at beginning of period	€ 1,960,000	€ 1,102,045	€ 3,062,045	
Changes in property, plant and equipment				
Additions other than through business combinations, property, plant and equipment	d	€ 485,000	€ 485,000	
contextRef="e2011_GrossCarryingAmountMember_LandAndBuildingsMember" format="ixt:numcommadot" name="ifrs-full:PropertyPlantAndEquipment" unitRef="EUR" decimals="0" scale="0" >1,960,000<				



IFRS Taxonomy support – Update documents

 Update documents present example tagging as well as explain the reasoning behind decisions affecting the IFRS Taxonomy

Example

43 Please refer to the disclaimer within the document overview when using this example.

		Types	of hedg	es (A)
Line items for disclosure of information about amounts that affected statement of comprehensive income as result of hedge accounting		FV hedge (M)	CF hedge (M)	Hedges of NI in FO (M)
	Types of risk (A)			
Gain (loss) on hedge ineffectiveness	Currency risk (M)	V	٧	٧
Description of line item(s) in statement of	Types of risk (A)			
comprehensive income that includes recognised hedge effectiveness	Currency risk (M)	T	Т	Т
	Types of risk (A)			
Gains (losses) on cash flow hedges, net of tax	Oil commodity price risk (ESM)	NA	V	NA

Disclosure of information about credit exposures designated as measured at fair value through profit or loss

Description—new table

- The new requirements in paragraph 24G of IFRS 7 relating to the disclosure of information about credit exposures have been modelled in the IFRS Taxonomy using a dimensional structure resulting in a new IFRS Taxonomy table.
- 45 This table has been created using:
 - a new IFRS Taxonomy axis 'Financial instruments measured at fair value through profit or loss because credit derivative is used to manage credit risk' is added to allow reporting by instrument; and
 - a list of line items added for disclosures related to credit exposures designated as measured at fair value through profit or loss.
- Some line items in the table represent reconciliation movements. This Proposed Interim Release includes a line item for the total reconciliation movement. It is expected that entities may add their own line items if they are required.



IFRS Foundation Taxonomy implementation support: IFRS Taxonomy – future



IFRS Taxonomy support – future

Some ideas for additional content to support IFRS Taxonomy implementation:

- 1) Support within the Taxonomy files:
 - implementation notes as:
 - custom references (similarly to US Taxonomy Implementation Notes)
 - custom labels
 - abstract elements in linkbases (similarly to UK Financial Reporting Council Taxonomy)
 - links between deprecated and replacement elements
- 2) Support outside of the Taxonomy files:
 - implementation guides (similarly to US Taxonomy Implementation Guides)
 - descriptive information for existing illustrative examples
 - general guidance about the IFRS Taxonomy (information that presentation view is only for information purposes, that elements may be moved between presentation groups, etc)



Implementation notes

Content of implementation notes could include information on:

- expected use of element (eg 'not to be used in statement of cash flows')
- expected sign of reported value (positive / negative)
- whether application before effective date is allowed
- history of changes made to element (amended labels and/or references)
- cross-references to related elements or sections elsewhere in the Taxonomy
- the element being a potential substitute for a deprecated element
- matters considered when adding the element into the Taxonomy
- IFRS accounting guidance (please refer to question 4 for Group 1)

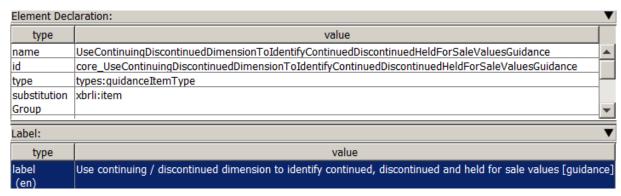


Abstract elements

Labels of abstract elements could include information on:

- expected use of dimensions within a particular section (as in the example below)
- location of similar elements (eg 'for further breakdowns of X, see...')
- general guidance (eg 'elements labelled explicitly as net are for net amounts only')

Example (from the UK FRC Taxonomy):





Implementation guides

Implementation guides demonstrate the modelling of disclosures within a given section of the Taxonomy, including specific examples.

Example (from one of the FASB guides):

Example 1—Disclosure of Information about the Liability for Unpaid Claims and Claim Adjustment Expenses

This example illustrates the modeling of the disclosure for claims development information about the liability for unpaid claims and claim adjustment expenses for short-duration insurance contracts.





IFRS Foundation Break-out session

Break-out session – groups

Group 1		Group 2	
Ashok	Marshall	Dave	Michal
Chie	Mike	Doug / Binh	Michael
John	Thomas	Jim	William
Koichi / Junya		Jinguang / Shu	
Krishnan		Kimberly	
Kyle		Liv	
Louis		Lou	
Maciej		Masatomo	



Break-out session – common questions

- 1) Does the IFRS Taxonomy need any additional implementation support?
- 2) If yes, what should be:
 - the location of this content (within the Taxonomy files, separate or both)?
 - the form of this content (implementation note references/labels, implementation guides, additional abstract elements, illustrative examples, other)?
 - the scope of this content (new elements only, [selected] existing elements)?



Break-out session – Group 1 specific questions

- 3) In case of implementation notes and/or abstract elements what type of information should they cover?
- 4) Should the Taxonomy implementation content include any accounting guidance from IFRS Standards?
 - example 1 'right-of-use assets that meet the definition of investment property shall be presented in the statement of financial position as investment property'?
 - example 2 'interest expense on the lease liability <u>is</u> a component of finance costs'
 - example 3 'the lessee <u>shall recognise</u> the lease payments... as an expense on either a straight-line basis over the lease term or another systematic basis'



Break-out session – Group 2 specific questions

- 3) In case of implementation guides:
 - which areas should be addressed first?
 - should we aim to convert existing illustrative examples into guides?
- 4) Should the Taxonomy implementation content include any guidance related to 'best practice' tagging rules, for example:
 - 'an entity shall use the most detailed element available in the Taxonomy' or
 - 'an entity shall use the most general element available in the Taxonomy' or
 - 'an entity shall <u>use both the more detailed and the more general element available</u> in the Taxonomy'?



IFRS Foundation Summary of break-out session

Contact us



