

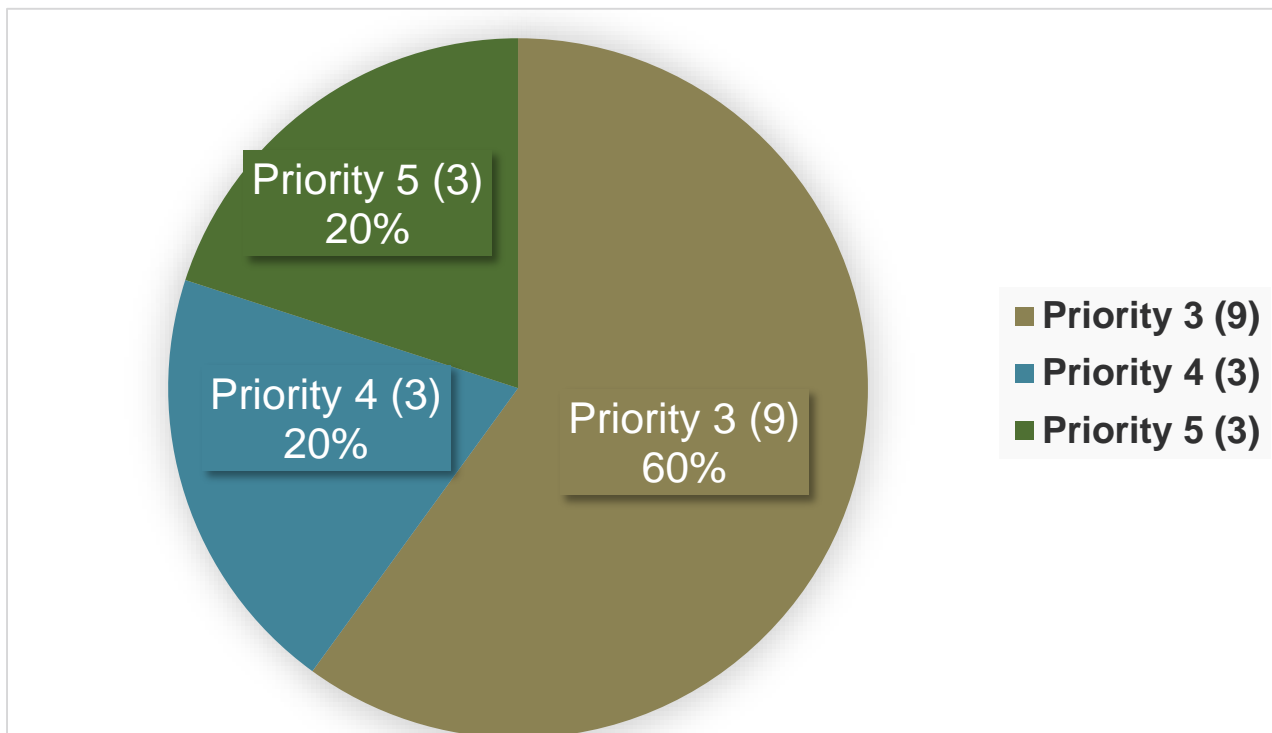
IFRS Taxonomy technology review

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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.

- The IFRS Foundation commissioned an **external technical review** of the IFRS Taxonomy in 2017. This reviewer has expert knowledge of XBRL.
- This review:
 - found **no significant technical defects** or deviations from current best practice; and
 - recommended **a number improvements**—all relatively minor (see slide 3).

Percentage of recommendations by priority



Priority from 1 to 5; P1 is critical and P5 is trivial. **No P1 and P2 recommendations.**

- To **discuss and seek your views** on the following **Priority 3** recommendations:
 - provide guidance to support universal identification of sections of a set of IFRS financial statements in XBRL, such as the Statement of Financial Position or notes (see slides 6 to 10);
 - simplify IFRS Taxonomy entry points (see slides 11 to 14);
 - make minor changes to the IFRS Taxonomy Packages (see slides 15 to 18); and
 - add references to authoritative URLs (see slide 19).

Priority 3 recommendations not discussed today

- The remaining Priority 3 recommendations will be discussed at a future meeting of the ITCG, including:
 - increasing the dimensions available in tables to cover common reporting practice;
 - providing documentation labels for axes that describe the accounting purpose of the axis, rather than a general description of the axis; and
 - fully aligning element standard labels and element names.

Practice varies as to how sections of a financial report are represented in an XBRL filing. The absence of a standard mechanism makes it more difficult for consumers to automatically identify and locate those sections.



The IFRS Foundation should provide guidance on how sections within a set of IFRS financial statements should be identified within a preparer's extension taxonomy.

- IAS 1 *Presentation of Financial Statements* states:
 - an ‘entity shall **clearly identify** each financial statement and the notes. ...’ (paragraph 51)
 - ...**judgement is**
 - **required** in determining the best way of presenting such information. For example, when an entity presents the financial statements electronically, ... an entity then presents the above items to ensure that the information in the financial statements **can be understood**. (paragraph 52)

- The IFRS Taxonomy already includes **abstract and text block elements** which can be used as a ‘presentation parent root’ or ‘text block tag’ within an extension taxonomy to universally identify a section of a financial report:

For example:

[310000] Statement of comprehensive income, profit or loss, by function of expense

Profit or loss [abstract]

Profit (loss) [abstract]

[823180] Notes - Intangible assets

Disclosure of intangible assets [text block]



- **The staff note** that:
 - the regulatory filing rules set out how preparer extension taxonomies need to be constructed, the IFRS Foundation does not provide guidance on this; and
 - the existing IFRS Taxonomy guides do not explain that the use of an abstract element as a presentation parent root is an example of how the requirements of paragraph 51 of IAS1 might be met in an XBRL filing (other use of abstract elements and text block elements are explained).

- The staff is **proposing to update the *Preparer's guide* and *Regulator's guide*** to include:
 - an explanation that abstract elements can be used to identify parts of IFRS financial statements in an electronic filing; and
 - an explanation that the precise mechanism of identifying parts of financial statements is subject to filing rules set by regulators.

Entry points—recommendations

Simplify	Clarify
<ul style="list-style-type: none">• Delete entry points that do not include documentation labels. Doing so encourages the global use of documentation labels.	<ul style="list-style-type: none">• Intended use of some entry points is not clear, for example ‘basic’ versus ‘full’• Labels of some entry points do not clearly describe their meaning—for example, the use of the term ‘combined’

Note: For list of existing IFRS Taxonomy entry points, see appendix A

Consideration	Staff's view
Documentation labels help a taxonomy user to better understand and select the correct element. 	The staff agrees that the global use of documentation labels should be encouraged.
Documentation labels are not translated; therefore, they are not included within the translated versions of the IFRS Taxonomy. 	It might be useful to add the English documentation labels to the translated versions of the IFRS Taxonomy.

- The staff is proposing to implement the changes (referred to in the previous slide) for the annual *IFRS Taxonomy 2019*.
 - represents a (small) change to the IFRS Taxonomy architecture
 - the change is subject to public consultation and review by the ITCG

- The staff agrees that the intended use of a few entry points is not clear to the end user. We are **planning to amend existing guides to address this** (see Agenda Paper 4A, discussed later today).
- We **do not propose to change the labels** because:
 - they are familiar terms to existing taxonomy users, and changing them now may confuse; and
 - guides can be used to further clarify their meaning

Taxonomy package—recommendations

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Some very minor changes to the description of the taxonomy are recommended. Currently the taxonomy is described as follows:

Name	The annual IFRS Taxonomy 2017
Version	Final

It would be preferable to move all version-related information to the version field, and to have the name field start with “IFRS” for the benefit of alphabetically sorted lists of taxonomies. For example:

Name	IFRS Taxonomy – Annual
Version	2017 (Final)

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Publish the IFRS Taxonomy formula as a taxonomy package to improve ease of use.

- The staff **does not agree** with the **suggested changes to the description** of the IFRS Taxonomy, because:
 - the ‘annual IFRS Taxonomy 2017’ is the standard term used within all of the IFRS Taxonomy documentation; and
 - we prefer to use the versioning field to indicate only the status of the IFRS Taxonomy (final, proposed update).

- We are proposing to **implement Taxonomy Packages 1.0** (TP 1.0) for the IFRS Taxonomy formula linkbase. We think implementing TP 1.0 **will help users**:
 - to understand better the content of the IFRS Taxonomy Formula;
 - to use automated identification of entry points by software tools; and
 - to allow users' software tools to build their repositories more consistently based on information provided within the TP 1.0 specification.

Taxonomy package—proposed TP 1.0 attributes

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Attribute name	Example values
Taxonomy package identifier	http://xbrl.ifrs.org/taxonomy/formula/2018-MM-DD/
Taxonomy package name	The IFRS Taxonomy Formula Linkbase 2018
Taxonomy package description	The 2018 formulas are designed to work with the <i>IFRS Taxonomy 2018</i> . Changes between the current version and the previous version reflect updates to the content of the IFRS Taxonomy. [...]
Taxonomy package version	2018
Taxonomy package license	http://go.ifrs.org/IFRSTterms/

- **Recommended improvement:** Remove any guidance that allows use of relative paths to load the IFRS Taxonomy.
- The staff **agree** we should discourage use of relative paths because:
 - IFRS Taxonomy Packages include information that can be used by software to create absolute paths to the official location of the IFRS Taxonomy files; and
 - Once absolute paths are used, XBRL software can store the taxonomy locally for offline use.
- We will **update our guidance** accordingly.

- Do you agree with the staff analysis and proposals?
- Are there other improvements to the IFRS Taxonomy architecture we should consider?
 - What are these improvements? and what problems are they trying to solve?
 - How would you rate these improvements by priority? **High / Medium / Nice to have**

Appendix—IFRS Taxonomy entry points

Name and description of entry point	Entry point without documentation labels	Entry point with documentation labels
Basic Entry Point —to view IFRS Taxonomy for full IFRS Standards reporting applying without generic links	Click here	Click here
Combined Entry Point —to view IFRS Taxonomy for full IFRS Standards, the <i>IFRS for SMEs</i> Standard and the IFRS Practice Statement <i>Management Commentary</i> reporting	Click here	Click here
Deprecated Entry Point —to view deprecated IFRS Taxonomy elements for IFRS Standards reporting	Click here	Click here
Full IFRS Standards Entry Point —to view IFRS Taxonomy for full IFRS Standards reporting	Click here	Click here
Full IFRS Standards and <i>Management Commentary</i> Entry Point —to view IFRS Taxonomy for full IFRS Standards reporting with <i>Management Commentary</i>	Click here	Click here
<i>IFRS for SMEs</i> Entry Point —to view IFRS Taxonomy for <i>IFRS for SMEs</i> Standard reporting	Click here	Click here
<i>Management Commentary</i> Entry Point —to view IFRS Taxonomy for <i>Management Commentary</i> reporting	Click here	Click here