

XBRL Quality Review Team (XQRT)

Terms of reference and operating procedures

Approved by the IFRS Foundation Trustees in New York, USA on 7 October 2009.

I Objectives and scope of activities

- 1 The primary objective of the XBRL Quality Review Team (XQRT) of the IFRS Foundation is to review developed taxonomies in order to achieve the highest level of quality by providing input and offering practical recommendations to the XBRL team on the usability of the Taxonomy from both a technology and financial reporting perspective.
- 2 The secondary objective of the XQRT is to support the XBRL team in the adoption and implementation of the Taxonomy throughout the world. This may include the publishing of articles supportive of XBRL and the IFRSs, and addressing public meetings on the same subject. Any such views expressed are personal, and should not create the impression that they are the opinions of the XQRT. This objective does not preclude XQRT members from providing independent critical analysis of the work of the XBRL team to assist better understanding of issues and solutions.

II Composition and membership

- 3 The XQRT is composed of individuals, or representatives of organisations, interested in the development of high quality taxonomies. The membership provides for a broad geographical spread and a range of functional backgrounds that includes members drawn from preparers and issuers, financial analysts, software vendors, supervisors and regulators, academics, retail investors and professional accounting bodies. Appointed observer status may also be granted by the IFRS Foundation Trustees to other bodies and organisations that are influential in the global financial community. Appointed observers have the right to attend and speak at XQRT meetings.
- 4 The Due Process Oversight Committee of the Trustees considers nominations and, where applicable, their origins and/or the organisations that may be represented, to determine whether nominee associations and individuals are suitable for membership and to ensure a broad geographical spread and a range of functional backgrounds.
- 5 The XQRT is a long-standing body. However, inaugural members were appointed in early 2008 for an initial term ending on 31 December 2010. Thereafter, and depending upon the need to maintain a proper balance and for continuity, members may be asked to remain for a further period of up to three years. A maximum period of service of six years is permitted.
- 6 In the interests of retaining an active and engaged membership, individuals who do not participate in three consecutive meetings or conference calls may be asked by the Director of XBRL Activities and the Chairman of the XQRT to stand down from the XQRT.
- 7 The Trustees appoint members to the XQRT in an individual or representative capacity, and at XQRT meetings members are expected to express their individual views unless it is expressly stated that they are the opinions of the organisations they represent. No sourcing record is made of organisational or individual views in the XQRT minutes. In adopting this convention the XQRT is mindful that discussion at an XQRT meeting may often be free-ranging and an individual's contribution might be unduly hampered if reference had to be made back to an organisation before a view was expressed at the meeting. XQRT members are free to table written materials for circulation, prior to meetings, should they wish.

III Chairman

- 8 The Chairman of the XQRT is appointed by the Trustees from nominations submitted by the XQRT. The inaugural term of office of the Chairman ends on 31 December 2010. Thereafter, the Chairman of the XQRT may be asked to remain for a further period of three years. A maximum term of six years is permitted.
- 9 The Chairman provides leadership to the XQRT in ensuring that the IFRS Foundation and its XBRL team receive timely and effective input from the XQRT, and in particular the XQRT review that is part of the XBRL activities due process and contributes to the development of a high quality taxonomy. To achieve this objective, the Chairman actively monitors the progress of the XBRL team work programme, projects and priorities and works closely with the XBRL team to identify on a timely basis, matters which the XQRT's advice and review should be sought. Specifically, the duties of the Chairman include, but are not limited to, the following:
 - working with the XBRL team of the IFRS Foundation to ensure the preparation of timely and appropriate materials to facilitate the conduct of the XQRT meetings;
 - coordinating the XQRT review of the Taxonomy and providing feedback to the XBRL team on the conducted review;

- conducting meetings of the XQRT;
- reviewing the draft minutes of XQRT meetings before distribution to members;
- preparing the draft Agenda together with the XBRL team;
- keeping abreast of developments within the XBRL team and informing members of the XQRT of these matters, if considered necessary, between meetings;
- assisting the Trustees in the identification of new members of the XQRT;
- briefing new members of the XQRT on its operations and their role and responsibilities; and
- at the request of the Trustees, attending and participating in the Trustees' meetings.

IV Operating procedures

- 10 In order to ensure that the XQRT operates efficiently and effectively the following operating procedures are adopted.

Quality review outcome

- 11 The outcome of the XQRT review is the approval of a Taxonomy.

Meeting details

- 12 XQRT members are expected to attend two one-day meetings a year, usually in London, and to participate in one-hour telephone discussions in each month when a meeting is not held, but additional meetings may be convened at the request of the Director of XBRL Activities or of the Chairman.
- 13 The IFRS Foundation Director of XBRL Activities and the XBRL team staff who are responsible for items on the XQRT meeting agenda are required to attend XQRT meetings. XBRL team staff are also generally required to attend the meetings in order to directly receive, and respond to, the views of the XQRT.
- 14 The XQRT members are expected to attend meetings in person. However, meetings may be held using teleconference or any other communication facilities that permit simultaneous communication among all members and appointed observers and allow public to hear all participants.
- 15 Administrative support for the meetings, as well as the recording of the minutes, is the responsibility of a designated member of the XBRL team.
- 16 The meetings of the XQRT are open to the public except for administrative items which are dealt with in closed session.

Meeting agenda and papers

- 17 The XBRL team secretariat is responsible for preparing the agenda for each meeting in consultation with the Director of XBRL Activities and the Chairman. All XQRT members are encouraged to submit to the Chairman items for consideration for inclusion in the agenda in advance of the meeting date and in accordance with the timing determined by the Chairman.
- 18 Written materials supporting XQRT agenda items are provided before each meeting. A briefing paper highlighting those issues on which specific guidance is sought from the XQRT is usually prepared for each item on the agenda. The extent of the supporting documentation is dependent on the complexity of the issues involved and the need for XQRT members to be adequately briefed. The following should be the norms for distribution of material to XQRT members:
- minutes of each meeting/discussion are distributed to XQRT members within thirty days following each XQRT meeting/discussion;
 - the agenda for each XQRT meeting/discussion, including a brief description of each agenda item, is distributed to XQRT members at least seven days before each XQRT meeting/discussion; and
 - all detailed agenda papers are to be distributed to XQRT members at least seven days before each XQRT meeting/discussion.
- 19 All meeting papers, except for those related to administrative or closed items, are available to observers and the public.

Conduct of meetings

- 20 The conduct of technology topics is generally prefaced by an introduction of the topic by the Director of XBRL Activities or staff, and may include papers prepared and/or delivered by XQRT members and/or XBRL team staff. The extent of these briefings is dependent on the complexity of the topic. At the meeting members are invited to comment on the questions raised by the XBRL team or any other related matters.

- 21 The XQRT operates using consensus decision-making. A consensus is reached when all participants present at the meeting are reasonably satisfied with or have no strong objections to a proposal or action and will support the decision. If consensus is not achieved, each dissenter shall present their concerns on the proposal. The proposal may then be amended, re-phrased or ridered. The process shall then return to the call for consensus and the cycle shall be repeated until a satisfactory decision is made. If consensus cannot be reached with reasonable time and effort, the Chairman of the XQRT and the XBRL team may either postpone a decision, develop an alternative proposal to achieve consensus or send the proposal to the Trustees for consideration.
- 22 If consensus cannot be reached with reasonable time and effort, the Chairman of the XQRT and the XBRL team may postpone a decision or develop an alternative proposal to achieve consensus.

Subcommittees

- 24 In order to improve the quality of comment submitted to the XBRL team on a specialised topic, the Director of XBRL Activities may call for the establishment of a subcommittee of knowledgeable XQRT members to provide expert comment. This subcommittee reports to the XQRT, which in turn present its views to the XBRL team.

V Travel and accommodation costs

- 25 Members of the XQRT or the organisations they represent meet their own travel and accommodation costs.

VI Approval and changes

- 26 The Trustees have approved the terms of reference and operating procedures and any changes thereto require their concurrence.