

IASC Foundation
Mr. Olivier Servais
30 Cannon Street
London EC4M 6XH
United Kingdom

Madrid, 23rd June 2009

Dear Mr. Servais,

Banco de España has been using the IFRS Taxonomy for a number of years and has always actively contributed to its development and maintenance. Among other projects involving the IFRS Taxonomy, FINREP and the III WG of the ECCBSO must be highlighted.

Accordingly, Statistics Department (through the Division of Central Balance Sheet Data Office) and Information Systems and Processes Department, two of the departments most involved in XBRL, have prepared this comment letter to the Exposure Draft "Due Process Handbook for XBRL Activities". The views expressed herein must be understood as those of the Statistics Department and the Information Systems and Processes Department of Banco de España.

In general terms, we welcome the issue of this Due Process Handbook, which will help users of the taxonomy in understanding the processes and the stages behind each annual version of the IFRS Taxonomy. Moreover, the entry into force of the Due Process Handbook will bring some robustness to the XBRL activities of the IASC Foundation.

In what the questions raised in the Exposure Draft are concerned, we have the following comments:

Question 3 – taxonomy development in alignment with the IFRSs

The Taxonomy alignment stage (2b) is guided by the standard approach, to ensure that the Taxonomy is aligned with IFRSs. The approach involves the scrutiny of each IFRS in turn, and considers the IFRSs published in the Bound Volume of IFRSs at the beginning of a calendar year, and also new IFRSs when issued. Do you agree that the Taxonomy development should be driven by underlying IFRSs?

We agree with the selection of the standard approach according to which the Taxonomy development should be driven by underlying IFRSs. However, we would add some further explanations in the draft about the functioning of this approach, mentioning, among others, the issue on the entry into force of new standards, what might imply that two versions of the same standard are found at the same time in the Taxonomy (for example, what happened last year with IAS 23 and the revised IAS 23).

Question 4 – draft taxonomies

At present the XBRL team develops the Taxonomy only for IFRSs. Should the XBRL team also consider exposure drafts of proposed IFRSs (such as standards for PEs and NPAEs), and develop draft taxonomies for these?

Although highly appreciated, the creation of a draft taxonomy based on every exposure draft issued by IASB might be too burdensome for the XBRL Team. In this situation, it seems necessary to perform a cost-merits analysis on every exposure draft (for example, the merits of a draft taxonomy of the incoming draft of the revised IAS 39 will likely outweigh the costs, what might not happen in the case of minor amendments to standards). In any case, if a draft taxonomy is not created, at least the XBRL Team could provide, together with the IASB exposure draft, a brief assessment of the consequences of the approval of that draft in the Taxonomy, in terms of items removed, created or modified.

Besides, the scope of activities of the XBRL Team should be clarified, to include on it not only the bound volume, but also to cover other standards issued by the IASB, being the most immediate the IFRS SME.

Question 8

The XBRL team is part of the Interoperable Taxonomy Architecture (ITA) project. This joint initiative between the European Commission, the IASC Foundation XBRL team, the Japan FSA and the US SEC aims to achieve convergence of the XBRL architectures of three taxonomies: US generally accepted accounting principles (GAAP), Electronic Disclosure for Investors' NETwork (EDINET) and IFRSs. Should the co-operation within the ITA be addressed in the Due Process Handbook?

The Due Process Handbook should address all the activities carried out by the XBRL Team, not only the creation of the Taxonomy, although this is its main task. Accordingly, the co-operation in the ITA project shall also be addressed in it, explaining the main terms and the expected results of the project.

Question 9

The XBRL team co-operates with the IASCF Translations team for the translations of the Taxonomy. How should such cross-departmental cooperation be referred to in the Due Process Handbook?

In line with the comment to the previous question, the cooperation in terms of translation shall be referred to in the Due Process Handbook too. Together with a description of the cooperation, some practical issues, relevant to the users of the taxonomy, could also be included, such as how to handle with legal issues, how to proceed with translations applicable in more than one country (for example, French in France, Belgium and Canada, or Spanish in Spain and Latin America) or the connections with the translation of IFRS in the Official Journal of the European Union.

Question 10

The underlying considerations state that 'usability' is important for the due process. This aims to increase adoption of the Taxonomy by stakeholders. There is a degree of conflict with this and the view expressed in paragraph 40 where the principal stakeholders of the Taxonomy are stated as being investors. Should investors remain the primary stakeholders of the Taxonomy?

Although investors are deemed as the primary users of IFRS, they are not extensively using XBRL financial statements directly at the moment and therefore they should not be explicitly mentioned as the primary stakeholders of the taxonomy. An outlook of the users of the current Taxonomy worldwide would reveal that most of them are regulators and other government agencies, whose role as key stakeholders of the taxonomy could be somehow highlighted in the text.

Other comments

There is an inconsistency between paragraphs 29 and 60 in the ED. The first one establishes a minimum period of comments by the XQRT on the draft taxonomy of 20 days whereas in paragraph 60 this minimum period amounts up to 30 days.

In the appendixes to the draft, it is stated that members of XAC and XQRT are appointed for an initial period of 3 years, but afterwards it is read that both groups are not expected to continue operating beyond 31st December 2010. This sentence could be clarified in the final text.

In case you wish to further discuss any of the matters raised in this comment letter, please do not hesitate to contact me or Manuel Ortega (manuel.ortega@bde.es), Head of the Central Balance Sheet Data Office Division, directly involved in works referred to the IFRS Taxonomy.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'M. Ortega', with a horizontal line underneath.

Cc: Antonio Pérez Ocete, Director of the Information Systems and Processes Department
Manuel Ortega Ortega, Head of the Central Balance Sheet Data Office Division
Maite Sainz González, Head of the Regulation Services Unit