

IASC Foundation



International Accounting Standards Committee Foundation

Request for Information

Responses to be received by 14 August 2009

July 2009

Request for Information

Concept Naming and Change Management in the IFRS Taxonomy

Background

- 1 International Financial Reporting Standards (IFRSs) have been adopted in over 115 countries and eXtensible Business Reporting Language (XBRL) has gained similarly wide acceptance. The growing number of international stakeholders and users of the IFRS Taxonomy has been accompanied by a growing number of comments on the practical use of the taxonomy.

Reason for this *Request for Information*

- 2 When published in December 2007, what was then a new architecture for the IFRS Taxonomy was committed to being both stable but also flexible. In both the 2008 and 2009 versions of the IFRS Taxonomy the architecture has remained unchanged. However practical issues recently arising from the implementation of the taxonomy have been presented which require the International Accounting Standards Committee (IASC) Foundation XBRL Team to consider amending the architecture of the IFRS Taxonomy. As stated in the Due Process for XBRL Activities, such improvements will only be implemented after extensive consultation with external reviewers, including the XBRL Quality Review Team (XQRT), the XBRL Advisory Council (XAC), and public stakeholders.
- 3 As stated in the Due Process for XBRL Activities, the XBRL Team shall consider the costs and benefits of all activities and decisions as part of its deliberation process. However, a formal quantitative assessment of the costs and benefits may not be practicable in all instances and is therefore not mandatory. The XBRL Team understands that there remains a lack of established and reliable techniques for analysing the quantitative costs and benefits of taxonomy development, and that more insight may be gained via its consultative publications and its communications and liaison activities with interested parties.
- 4 The goal of this document is to outline the proposed changes to the architecture of the IFRS Taxonomy, the reason for these changes, and to solicit comments from the public on these changes. Specifically, this document discusses the renaming, deletion and addition of IFRS Taxonomy concepts. The addition of concepts to the IFRS Taxonomy follows the addition of new or more detailed disclosure requirements to the IFRSs however, a number of comments have been received on how the renaming and deletion of concepts should be managed. This document assumes that the reader has an understanding of the fundamentals of XBRL and the architecture of the IFRS Taxonomy.
- 5 In each version of the IFRS Taxonomy, concept labels are aligned with concept names and concept IDs. For example, a label change for the concept 'Minority interest' to 'Noncontrolling interest' results in a concept name change from 'MinorityInterest' to 'NoncontrollingInterest' (the same applies to the concept ID which changes from 'ifrs_MinorityInterest' to 'ifrs_NoncontrollingInterest').

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- 6 Concepts not required by IFRSs are deleted and excluded from the subsequent release of the IFRS Taxonomy. For example, if an IFRS is replaced by another IFRS (IFRS 8 replaced IAS 14 with effective date 1 January 2009) all concepts required by the replaced IFRS (and which are not required by other effective IFRSs) are deleted from the next taxonomy release.
- 7 The IASC Foundation has implemented two means for managing changes in the IFRS Taxonomy.
- (a) The creation identifier (creation ID), which was introduced in the 2008 taxonomy. This additional attribute for each concept has the value of a timestamp that remains stable throughout a taxonomy and across taxonomy releases.
 - (b) A versioning report, which was published with the 2009 taxonomy. The versioning report documents the changes between taxonomy releases, and is issued in a machine-readable format that contains human-readable explanations for each change, and specifically for each renaming, addition and deletion.
- 8 Users of the IFRS Taxonomy have commented that renaming concepts creates unnecessary burdens for extension developers because it requires them to remap all renamed concepts. Comments have also been received that concept deletions create problems when trying to carry out historical analysis of financial information which was reported using the IFRS Taxonomy.
- 9 Initial prototypes have been discussed with the XQRT throughout 2008 and 2009, and five possible options were identified during the course of these discussions. These five options are now presented in this document and are open to comment until 14 August 2009. All comments received will be analysed by the XBRL Team together with its constituencies, such as the XQRT and participants in the Interoperable Taxonomy Architecture (ITA) project. Changes to the architecture of the IFRS Taxonomy will only be made effective if the comments received provide clear reasoning for making such changes.

Options for Consideration

Renaming of concepts

- 10 Options:
- R1 Current IFRS Approach: the creation identifier remains unchanged but concept names and IDs remain synchronised with concept labels.
 - R2 Current US GAAP and EDINET Approach: concept names remain unchanged even if labels change; the creation identifier becomes obsolete and is removed.
 - R3 Abstract Names and IDs: all concept names and IDs are changed to a short meaningless string of text for the IFRS Taxonomy 2010, which then remains stable in subsequent releases.

Deletion of concepts

11 Options:

- D1 Current IFRS Approach: concepts are deleted from the schema if no longer required.
- D2 Current US GAAP Approach: concepts are deprecated but remain in the schema, even if no longer required.

Costs and Benefits of the Options for Consideration for Renaming Concepts

12 The cost and benefits analysis provided below should not be treated as an exhaustive list. The XBRL Team recognises that various stakeholders may have varying viewpoints on costs and benefits, and therefore we also invited comments on costs and benefits .

R1. Current IFRS Approach

	Taxonomy release n-1	Taxonomy release n
Concept label	Minority interest	Non-controlling interest
Concept name	MinorityInterest	NoncontrollingInterest
Concept ID	ifrs_MinorityInterest	ifrs_NoncontrollingInterest
Creation identifier	i200806241028413125	I200806241028413125

13 Benefits:

- Consistency within a single IFRS Taxonomy release: alignment between labels, concept names and concept IDs will remain consistent allowing for automatic quality assurance tests on the code level.
- Consistency with IFRSs: concept names will remain aligned with IFRS terminology at code level.

14 Costs:

- Development effort: taxonomy concepts and IDs will remain susceptible to IFRS terminology changes, and therefore changes to the taxonomy schema and linkbases will be required over time.
- Remapping burden for users of IFRS Taxonomy: it will remain necessary to remap renamed concepts between IFRS Taxonomy releases.
- Additional implementation effort for a versioning solution: it will be necessary to rely on the creation identifier and/or versioning report to identify renamed concepts.

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R2. Current US GAAP and EDINET Approach

	Taxonomy release n-1	Taxonomy release n
Concept label	Minority interest	Non-controlling interest
Concept name	MinorityInterest	MinorityInterest
Concept id	ifrs_MinorityInterest	ifrs_MinorityInterest
Creation identifier	n/a	n/a

15 Benefits:

- Easier maintenance of extensions: migrating between subsequent versions of the IFRS Taxonomy will be easier because no concepts are renamed.
- ITA alignment: since the EDINET and US GAAP taxonomies follow this approach it would automatically align the IFRS Taxonomy with these taxonomies as a part of the ITA project.

16 Costs:

- Inconsistencies in code: after several taxonomy releases the code of the taxonomy will be congested with differences and inconsistencies between labels, concept names and concept IDs on the code level.

R3. Abstract Names and IDs

	Taxonomy release n-1	Taxonomy release n
Concept label	Minority interest	Non-controlling interest
Concept name	e123456	e123456
Concept id	ifrs_e123456	ifrs_e123456
Creation identifier	n/a	n/a

17 Benefits:

- Terminology resistance: concept names and IDs will no longer be susceptible to changes in the IFRS terminology and will therefore remain stable for longer.
- Improved database handling: databases use integer-type fields for identifiers. Long strings, as illustrated in R1 and R2, are unsuitable for identification purposes. Short abstract strings are more suitable for use in databases and information systems for identification and mapping purposes. While it is not possible to use integer values as element names, short abstract strings will allow for improved handling of identifiers.

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18 Costs:

- Substantial initial effort: full remapping for all concepts (not only those that are renamed) will be required between the IFRS Taxonomy 2009 and 2010 for extenders.
- Lower code readability: meaningless concept names and IDs will reduce the readability of the code within schema, linkbases and instance documents. This can be avoided to some extent for linkbases and schema using the title attribute and XML comments.

Costs and Benefits of the Options for Consideration for Deleting Concepts

D1. Current IFRS Approach

	Taxonomy release n-1	Taxonomy release n
Concept label	Minority interest	Deleted
Concept name	MinorityInterest	Deleted
Concept id	ifrs_MinorityInterest	Deleted
Creation identifier	i200806241028413125	Deleted

19 Benefits:

- Alignment with IFRSs: the content of the IFRS Taxonomy will remain fully aligned with the content of the IFRSs, as it will not be possible to report using IFRS Taxonomy concepts that are no longer effective (this will also apply to extensions).

20 Costs:

- Effort for extenders: any concepts used in an IFRS Taxonomy extension will need to be either deleted or moved to an extension-specific schema and namespace when migrating to a subsequent IFRS Taxonomy release where these concepts are not required.

D2. Current US GAAP Approach

	Taxonomy release n-1	Taxonomy release n
Concept label	Minority interest	MinorityInterest
Concept name	MinorityInterest	MinorityInterest
Concept id	ifrs_MinorityInterest	ifrs_MinorityInterest
Creation identifier	n/a	n/a

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Deprecation indicator	Deprecated
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21 Benefits:

- Historic view of a taxonomy: concepts will be retained within the taxonomy allowing for improved mapping between subsequent taxonomy releases.
- ITA alignment: because the US GAAP taxonomy follows this approach it would automatically align the IFRS Taxonomy with the US GAAP taxonomy as a part of the ITA project.

22 Costs:

- Reliance on proprietary information: because there is no common agreement on how the deprecation of a concept should be indicated, this approach would require vendors to introduce support for a deprecation indicator (as an additional attribute or a specific label or reference). Agreement on a common deprecation identifier may be reached as part of the ITA project to resolve this issue.

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23 In response to this request, comments should be submitted as replies to the following questions:

- (a) Which of the options (R1, R2, R3) should be implemented for the architecture of the IFRS Taxonomy with regards to the renaming of concepts? Please note that **only one option** may be selected. Please provide the reason for your decision as well your assessment of the benefits and costs of the selected option.
- (b) Which of the options (D1, D2) should be implemented for the architecture of the IFRS Taxonomy with regards to the deletion of concepts? Please note that **only one option** may be selected. Please provide the reason for your decision as well your assessment of the benefits and costs of the selected option.

Comments should be submitted by **14 August 2009**. Please send your comments by email to: xbrltech@iasb.org, or using the IASB [online comment submission tool](#). All comments received will be treated as public documents and made available on the IASB website.

Appendix A

Code Examples for Renaming Concepts

A1 This appendix provides an overview of the code of IFRS Taxonomy schema, label linkbases (locator, arc, resource) and a sample instance document if options R1, R2 or R2 were implemented.

R1. Current IFRS Approach

A2 The creation identifier remains unchanged but concept names and IDs remain synchronised with concept labels.

IFRS Taxonomy Schema:

```
<xsd:element name='NoncontrollingInterests' id='ifrs_NoncontrollingInterests'
type='xbri:monetaryItemType' info:creationID='i200806241028413125'
substitutionGroup='xbri:item' nillable='true' xbrli:balance='credit'
xbrli:periodType='instant'/>
```

IFRS Taxonomy Label Linkbase:

```
<link:loc xlink:type='locator' xlink:href='.././ifrs-cor_2009-04-
01.xsd#ifrs_NoncontrollingInterests' xlink:label='loc_2103'/>
```

```
<link:labelArc xlink:type='arc' xlink:arcrole='http://www.xbrl.org/2003/arcrole/concept-
label' xlink:from='loc_2103' xlink:to='res_3199'/>
```

```
<link:label xlink:type='resource' xlink:label='res_3199'
xlink:role='http://www.xbrl.org/2003/role/label' xml:lang='en'
id='ifrs_NoncontrollingInterests_label'>Non-controlling interests</link:label>
```

IFRS Taxonomy Instance Document:

```
<ifrs:NoncontrollingInterests decimals='0' contextRef='FY50e'
unitRef='EUR'>1000000</ifrs:NoncontrollingInterests>
```

R2. US GAAP and EDINET Approach

A3 Concept names remain unchanged even if label changes; creation identifier becomes obsolete and will be removed.

IFRS Taxonomy Schema:

```
<xsd:element name='MinorityInterest' id='ifrs_MinorityInterest'
type='xbri:monetaryItemType' substitutionGroup='xbri:item' nillable='true'
xbrli:balance='credit' xbrli:periodType='instant'/>
```

IFRS Taxonomy Label Linkbase:

```
<link:loc xlink:type='locator' xlink:href='.././ifrs-cor_2009-04-01.xsd#ifrs_MinorityInterest'
xlink:label='loc_2103'/>
```

```
<link:labelArc xlink:type='arc' xlink:arcrole='http://www.xbrl.org/2003/arcrole/concept-
label' xlink:from='loc_2103' xlink:to='res_3199'/>
```

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```
<link:label xlink:type='resource' xlink:label='res_3199'  
xlink:role='http://www.xbrl.org/2003/role/label' xml:lang='en'  
id='ifrs_MinorityInterest_label'>Non-controlling interests</link:label>
```

IFRS Taxonomy Instance Document:

```
<ifrs:MinorityInterest decimals='0' contextRef='FY50e'  
unitRef='EUR'>1000000</ifrs:MinorityInterest>
```

R3. *Abstract Names and IDs*

- A4 Change all concept names and IDs to short meaningless strings for IFRS Taxonomy 2010 release and keep them stable in subsequent releases.

IFRS Taxonomy Schema:

```
<xsd:element name='e123456' id='ifrs_e123456' type='xbri:monetaryItemType'  
substitutionGroup='xbri:item' nillable='true' xbri:balance='credit'  
xbri:periodType='instant'/>
```

IFRS Taxonomy Label Linkbase:

```
<link:loc xlink:type='locator' xlink:href='.././ifrs-cor_2009-04-01.xsd#ifrs_e123456'  
xlink:label='loc_2103'/>
```

```
<link:labelArc xlink:type='arc' xlink:arcrole='http://www.xbrl.org/2003/arcrole/concept-  
label' xlink:from='loc_2103' xlink:to='res_3199'/>
```

```
<link:label xlink:type='resource' xlink:label='res_3199'  
xlink:role='http://www.xbrl.org/2003/role/label' xml:lang='en' id='ifrs_  
e123456_label'>Non-controlling interests</link:label>
```

IFRS Taxonomy Instance Document:

```
<ifrs:e123456 decimals='0' contextRef='FY50e' unitRef='EUR'>1000000</ifrs:e123456>
```