

March 2020

IFRS<sup>®</sup> Taxonomy Update

# IFRS Taxonomy 2019

*Interest Rate Benchmark Reform*

Amendments to IFRS 9, IAS 39 and IFRS 7

IASB<sup>®</sup>

 IFRS<sup>®</sup>

**IFRS® Taxonomy 2019**

**Update 1**

*Interest Rate Benchmark Reform*

**Amendments to IFRS 9, IAS 39 and IFRS 7**

IFRS® Taxonomy 2019—Update 1 *Interest Rate Benchmark Reform* is issued by the International Accounting Standards Board (Board).

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## Overview of the amendments to the IFRS Taxonomy

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### Introduction

In September 2019 the International Accounting Standards Board (Board) issued *Interest Rate Benchmark Reform*, which amended IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosures*.

The amendments require qualitative and quantitative disclosures to enable users of financial statements to understand how an entity's hedging relationships are affected by the uncertainty arising from interest rate benchmark reform.

This IFRS Taxonomy Update reflects in the IFRS Taxonomy the new disclosure requirements introduced by the amendments.

The Board added six new elements to the IFRS Taxonomy, as described in paragraph 3. In addition, the Board added documentation labels for all the new elements created and an implementation note for one new monetary element, as described in paragraphs 8–10.

### Reading this update

This document uses taxonomy-specific terminology. For more information, please refer to the *Guide to Understanding the IFRS Taxonomy Update* and *Using the IFRS Taxonomy—A preparer's guide*.<sup>1</sup> The Appendix provides brief explanations of IFRS Taxonomy terms used in this document.

### XBRL properties

This document does not provide the full list of XBRL properties for the IFRS Taxonomy elements listed. If you require further information on the XBRL properties applied to an element, please see the IFRS Taxonomy files and associated documentation.

### IFRS Taxonomy version

The IFRS Taxonomy files for this update are based on the IFRS Taxonomy 2019, published in March 2019. Changes resulting from this IFRS Taxonomy Update have been included in the IFRS Taxonomy 2020.

### Effective date

The amendments to IFRS Standards apply to annual periods beginning on or after 1 January 2020. Earlier application of the amendments, and therefore earlier use of the IFRS Taxonomy elements, is permitted.

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<sup>1</sup> The *Guide to Understanding the IFRS Taxonomy Update* is available at <https://www.ifrs.org/-/media/feature/standards/taxonomy/general-resources/understanding-ifrs-taxonomy-update.pdf>. *Using the IFRS Taxonomy—A preparer's guide* is available at <https://www.ifrs.org/-/media/feature/resources-for-preparers/xbrl-using-the-ifrs-taxonomy-a-preparers-guide-january-2019.pdf>.

## New disclosures introduced by the amendments

- 1 For hedging relationships to which an entity applies the exceptions set out in paragraphs 6.8.4–6.8.12 of IFRS 9 or paragraphs 102D–102N of IAS 39, paragraph 24H of IFRS 7 requires an entity to disclose:
- (a) the significant interest rate benchmarks to which the entity’s hedging relationships are exposed;
  - (b) the extent of the risk exposure the entity manages that is directly affected by the interest rate benchmark reform;
  - (c) how the entity is managing the process to transition to alternative benchmark rates;
  - (d) a description of significant assumptions or judgements the entity made in applying these paragraphs of IFRS 9 or IAS 39 (for example, assumptions or judgements about when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows); and
  - (e) the nominal amount of the hedging instruments in those hedging relationships.
- 2 Consequently, the Board added six new elements to the IFRS Taxonomy – five descriptive and one monetary.

### New elements

- 3 So that the IFRS Taxonomy reflects the requirements described in paragraph 1, the following new elements are created in the IFRS Taxonomy:<sup>2</sup>

Element label	ET	ER	Reference
Disclosure of information about entity’s hedging relationships directly affected by uncertainty arising from interest rate benchmark reform [text block]	TB	D	IFRS 7.24H
Disclosure of significant interest rate benchmarks to which entity’s hedging relationships are exposed [text block]	TB	D	IFRS 7.24H(a)
Disclosure of extent of risk exposure entity manages for hedging relationships directly affected by interest rate benchmark reform [text block]	TB	D	IFRS 7.24H(b)

*continued...*

- 2 ‘ET’ and ‘ER’ represent element type and element reference type, respectively. Element types ‘M’, ‘T’ and ‘TB’ represent monetary, text and text block element types, respectively. Refer to the Appendix for an explanation of the difference between text and text blocks. Reference type ‘D’ represents disclosure requirements.

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Element label	ET	ER	Reference
Description of how entity is managing process to transition to alternative benchmark rates for hedging relationships	T	D	IFRS 7.24H(c)
Description of significant assumptions or judgements entity made in applying amendments for interest rate benchmark reform	T	D	IFRS 7.24H(d)
Nominal amount of hedging instruments in hedging relationships to which amendments for interest rate benchmark reform are applied	M	D	IFRS 7.24H(e)

- 4 An additional element—‘Disclosure of information about entity’s hedging relationships directly affected by uncertainty arising from interest rate benchmark reform [text block]’—is created to enable users of financial statements reported electronically to find in one place disclosures about the hedging relationships directly affected by the uncertainty arising from interest rate benchmark reform.
- 5 The text block elements are created to tag disclosures that preparers might report in various formats (such as text or tables). To enable the use of various formats in electronic reports, text block elements rather than text elements are created for these disclosures:
- (a) Disclosure of significant interest rate benchmarks to which entity’s hedging relationships are exposed [text block]
  - (b) Disclosure of extent of risk exposure entity manages for hedging relationships that is directly affected by interest rate benchmark reform [text block]
- 6 The new element—‘Nominal amount of hedging instruments in hedging relationships for which amendments for interest rate benchmark reform are applied’—is created as a monetary item type because the nominal amount of these hedging instruments is expected to be reported as a monetary amount.
- 7 IFRS 7, as amended in September 2019, requires the disclosures described in paragraph 1 at the entity level and does not prescribe specific disaggregation of the information. For this reason, a table is not created for those disclosures. However, axes for disaggregation of information by type of hedging instrument, type of hedged item, type of risk or type of hedge are available in the IFRS Taxonomy.

## Documentation labels for new elements

- 8 The IFRS Taxonomy includes documentation labels (also called definitions) that clarify the accounting meaning of an element to help preparers identify the correct element to use when tagging financial statements and to help users of financial statements understand information reported electronically. The table below includes the documentation labels for the new elements described in paragraph 3.

Element label	Documentation label
Disclosure of information about entity's hedging relationships directly affected by uncertainty arising from interest rate benchmark reform [text block]	The disclosure of information about the entity's hedging relationships that are directly affected by the uncertainty arising from interest rate benchmark reform.
Disclosure of significant interest rate benchmarks to which entity's hedging relationships are exposed [text block]	The disclosure of significant interest rate benchmarks to which the entity's hedging relationships are exposed.
Disclosure of extent of risk exposure entity manages for hedging relationships directly affected by interest rate benchmark reform [text block]	The disclosure of the extent of the risk exposure the entity manages for hedging relationships directly affected by the interest rate benchmark reform.
Description of how entity is managing process to transition to alternative benchmark rates for hedging relationships	The description of how the entity is managing the process to transition to alternative benchmark rates for hedging relationships.
Description of significant assumptions or judgements entity made in applying amendments for interest rate benchmark reform	The description of significant assumptions or judgements the entity made in applying the amendments for interest rate benchmark reform.
Nominal amount of hedging instruments in hedging relationships to which amendments for interest rate benchmark reform are applied	The nominal amount of the hedging instruments in hedging relationships to which the entity is applying the exceptions in the scope of the amendments for interest rate benchmark reform. [Refer: Nominal amount of hedging instrument]

## Implementation note for new monetary element

- 9 Many IFRS Taxonomy elements are assigned a debit or credit balance attribute to help preparers determine the correct sign for the reported value. However, some monetary elements do not have a natural accounting balance of debit or credit. To provide preparers of electronic reports with sufficient guidance on determining the correct sign for reporting such elements, the IFRS Taxonomy



includes implementation notes for monetary elements without an assigned balance attribute.

- 10 The element ‘Nominal amount of hedging instruments in hedging relationships for which amendments for interest rate benchmark reform are applied’ does not have a natural accounting balance of debit or credit and, as a result, has no assigned balance attribute. This element is expected to have a positive value in an electronic report because it is the nominal value of hedging instruments, rather than the carrying value of hedging instruments recognised as an asset or a liability. The table below includes the implementation note for the new monetary element.

Element label	Implementation note
Nominal amount of hedging instruments in hedging relationships to which amendments for interest rate benchmark reform are applied	A positive XBRL value should normally be entered for this element.

**Approval by the Board of IFRS Taxonomy Update *Interest Rate Benchmark Reform* issued in March 2020**

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IFRS Taxonomy Update *Interest Rate Benchmark Reform* was approved for publication by all 14 members of the International Accounting Standards Board.

Hans Hoogervorst Chairman

Suzanne Lloyd Vice-Chair

Nick Anderson

Tadeu Cendon

Martin Edelmann

Françoise Flores

Gary Kabureck

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Darrel Scott

Thomas Scott

Chungwoo Suh

Rika Suzuki

Ann Tarca

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## Appendix—IFRS® Taxonomy content terminology

The tables in this appendix provide a brief explanation of the IFRS Taxonomy terms used in this document.

<b>Core content—IFRS Taxonomy elements</b>	
<p>The IFRS Taxonomy contains elements that represent disclosures in financial statements prepared applying IFRS Standards.</p> <p>These elements are described using:</p> <ul style="list-style-type: none"> <li>• <b>line items</b> – which represent the accounting concepts being reported. They can be either numerical or narrative, reflecting the figures and narrative reported, for example, ‘Assets’, ‘Property, plant and equipment’ and ‘Description of accounting policy for government grants’.</li> <li>• <b>axes and members</b> – information categories and components that accounting concepts can be broken down into or reported by, for example, ‘Classes of property, plant and equipment’.</li> <li>• <b>tables</b> – logical groupings of IFRS Taxonomy axes, members and line items.</li> </ul>	<p>These IFRS Taxonomy <b>elements</b> have:</p> <ul style="list-style-type: none"> <li>• <b>element names and element identifiers</b> – unique computer tags used to identify and mark up the data.</li> <li>• <b>element standard labels</b> – human-readable names reflecting the accounting meaning of an element. Some elements have additional labels that provide more specific descriptions, for example, to indicate a total or distinguish between opening and closing balances. Those additional labels do not alter the accounting meaning of the element but are used for presentation purposes when displaying IFRS Taxonomy content.</li> <li>• <b>element types (ET)</b> – categories of permitted data values, for example, text (T), text block (TB), monetary (M), decimal (DEC), percentage (P). <ul style="list-style-type: none"> <li>• <b>Text element</b> types are used for narrative disclosure. They are also used when IFRS Standards do not specify the details of a disclosure requirement, but that disclosure requirement is expected to be expressed in free text format by a preparer.</li> <li>• <b>Text block element</b> types are used for a set of information which may include, for example, numeric disclosures, narrative explanations, tables, etc.</li> </ul> </li> </ul>

*continued...*

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<b>Core content—IFRS Taxonomy elements</b>	
	<ul style="list-style-type: none"> <li>• <b>element properties</b>, such as the:               <ul style="list-style-type: none"> <li>• <b>period</b>—which indicates whether the element is expected to be reported for a period of time (duration) or at a particular point in time (instant); and</li> <li>• <b>balance</b>—which indicates whether the element is generally expected to be reported as a credit or a debit.</li> </ul> </li> </ul>
<b>Supporting content—documentation and references for IFRS Taxonomy elements</b>	
<p>The IFRS Taxonomy provides supporting content to help users better understand the <b>accounting meaning</b> of an element.</p>	<p>This content includes:</p> <ul style="list-style-type: none"> <li>• <b>references</b>—which link an element to the authoritative literature, for example, IFRS 15 <i>Revenue from Contracts with Customers</i>.</li> <li>• <b>element reference types (ER)</b>—which define the source of an element, for example, disclosure (D), example (E) and common practice (CP).</li> <li>• <b>documentation labels</b>—which provide a textual definition of each element. The sources of these definitions are the IFRS Standards and their accompanying materials, when available.</li> </ul>

<b>Supporting content—relationships between IFRS Taxonomy elements (linkbases)</b>	
The IFRS Taxonomy uses the calculation linkbase to help users better understand how <b>elements</b> may relate <b>mathematically</b> to each other.	<p>For example, this content includes:</p> <ul style="list-style-type: none"> <li>• <b>summations</b> of elements to a total or subtotal; and</li> <li>• <b>formulas</b> to indicate that an element is a ratio of other taxonomy elements.</li> </ul>
The IFRS Taxonomy uses the presentation linkbase to provide <b>presentation views</b> under which the line items, axes and members (or a combination of those as tables) have been grouped. This supports <b>human-readable</b> viewing and navigation of the IFRS Taxonomy.	<p>The IFRS Taxonomy has specific <b>presentation</b> elements:</p> <ul style="list-style-type: none"> <li>• <b>headings</b>; and</li> <li>• <b>presentation groups</b>.</li> </ul> <p>These elements are not used when tagging financial statements. These headings and presentation groups also have standard <b>labels</b>.</p>
The IFRS Taxonomy uses the definition linkbase to provide <b>views</b> under which the combined line items, axes and members ( <b>tables</b> ) have been grouped. This supports <b>computer-readable</b> use of the IFRS Taxonomy.	<p>For example, the content includes:</p> <ul style="list-style-type: none"> <li>• a <b>definition</b> for each table; and</li> <li>• a <b>default member</b> for each axis.</li> </ul>