



IFRS[®]

Accounting

May 2024

Proposed IFRS[®] Taxonomy Update

IFRS[®] Accounting Taxonomy 2024—Update 1

***IFRS 18* Presentation and Disclosure in Financial Statements**

Comments to be received by 3 September 2024

IFRS[®] Accounting Taxonomy 2024

Proposed Update 1

IFRS 18 Presentation and Disclosure in Financial Statements

Comments to be received by 3 September 2024

IFRS[®] Accounting Taxonomy 2024—Proposed Update 1 IFRS 18 Presentation and Disclosure in Financial Statements is published by the International Accounting Standards Board (IASB) for comment only. Comments need to be received by **3 September 2024** and should be submitted by email to commentletters@ifrs.org or online at <https://www.ifrs.org/projects/open-for-comment/>.

All comments will be on the public record and posted on our website at www.ifrs.org unless the respondent requests confidentiality. Such requests will not normally be granted unless supported by a good reason, for example, commercial confidence. Please see our website for details on this policy and on how we use your personal data.

Disclaimer: To the extent permitted by applicable law, the International Accounting Standards Board (IASB) and the Foundation expressly disclaim all liability howsoever arising from this publication or any translation thereof whether in contract, tort or otherwise to any person in respect of any claims or losses of any nature including direct, indirect, incidental or consequential loss, punitive damages, penalties or costs.

Information contained in this publication does not constitute advice and should not be substituted for the services of an appropriately qualified professional.

© 2024 IFRS Foundation

All rights reserved. Reproduction and use rights are strictly limited. Please contact the Foundation for further details at permissions@ifrs.org.

Copies of IASB publications may be ordered from the Foundation by emailing customerservices@ifrs.org or by visiting our shop at <https://shop.ifrs.org>.



The Foundation has trade marks registered around the world including 'IAS[®]', 'IASB[®]', the IASB[®] logo, 'IFRIC[®]', 'IFRS[®]', the IFRS[®] logo, 'IFRS for SMEs[®]', the IFRS for SMEs[®] logo, the 'Hexagon Device', 'International Accounting Standards[®]', 'International Financial Reporting Standards[®]', 'NIIF[®]' and 'SIC[®]'. Further details of the Foundation's trade marks are available from the Foundation on request.

The Foundation is a not-for-profit corporation under the General Corporation Law of the State of Delaware, USA and operates in England and Wales as an overseas company (Company number: FC023235) with its principal office in the Columbus Building, 7 Westferry Circus, Canary Wharf, London, E14 4HD.

CONTENTS

from page

INTRODUCTION	5
Why is the IASB proposing changes to the IFRS® Accounting Taxonomy?	5
Reading this proposed update	6
Documentation and guidance labels	6
XBRL properties	7
IFRS Accounting Taxonomy files	7
Effective date	7
Next steps	7
INVITATION TO COMMENT	7
Questions for respondents	7
Deadline	11
How to comment	11
OVERALL APPROACH AND METHODOLOGY	12
Approach to existing elements with a reference to IAS 1	12
Approach to adding categorical elements	13
Approach to adding elements based on the Illustrative Examples accompanying IFRS 18	15
Question on overall approach and methodology	15
PROPOSED MODELLING FOR THE REQUIREMENTS IN IFRS 18	15
Presentation requirements for the statement of profit or loss	15
Disclosure requirements for management-defined performance measures	23
Disclosure requirements for specified expenses by nature	28
Implementation guidance for preparers	33
FURTHER PROPOSED CHANGES TO THE IFRS ACCOUNTING TAXONOMY	34
Presentation group for the statement presenting comprehensive income, profit or loss	35
Relationship between elements in the notes and elements in the primary financial statements	36
Proposals relating to consequential amendments to other IFRS Accounting Standards	36
Effective date and transition	39
The replacement of 'IFRS' with 'IFRS Accounting Standard'	40
Question on further proposed changes to the IFRS Accounting Taxonomy	41
APPROVAL BY THE IASB OF IFRS® ACCOUNTING TAXONOMY 2024—PROPOSED UPDATE 1 IFRS 18 PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS PUBLISHED IN MAY 2024	42
DISSENTING OPINION	43
APPENDIX A—IFRS® ACCOUNTING TAXONOMY CONTENT TERMINOLOGY	44
APPENDIX B—LIST OF PROPOSED CATEGORICAL ELEMENTS AND PARENT NARRATIVE ELEMENTS	46
APPENDIX C—GENERAL POLICIES FOR TAXONOMY MODELLING AND PUBLISHING GUIDANCE	48
Use of line-item modelling and dimensional modelling	48
Addition of elements to reflect requirements in IFRS Accounting Standards and Illustrative Examples or Implementation Guidance that accompany those Standards	48
Creation of calculation relationships	49
Use of line-items from the primary financial statements as line-item elements in dimensional modelling	49
Communication of relationships between elements in the primary financial statements and elements in the notes	50
Attribution of elements to presentation groups	50
Deprecation of elements	50
Addition of text block elements	51
Addition of categorical elements	51

continued...

...continued

Publication of guidance	52
APPENDIX D—ILLUSTRATION OF A TAGGED EXAMPLE MPM RECONCILIATION	53
APPENDIX E—ILLUSTRATION OF A TAGGED EXAMPLE DISCLOSURE OF SPECIFIED EXPENSES BY NATURE	59
APPENDIX F—ILLUSTRATION OF A SINGLE PRESENTATION GROUP FOR THE STATEMENT PRESENTING COMPREHENSIVE INCOME, PROFIT OR LOSS	62
APPENDIX G—ILLUSTRATION OF THE ‘FACT-EXPLANATORYFACT’ FOOTNOTEARC MECHANISM	66

Introduction

Why is the IASB proposing changes to the IFRS® Accounting Taxonomy?

- IN1 The IASB is proposing changes to the IFRS Accounting Taxonomy to reflect the changes to presentation¹ and disclosure² requirements arising from IFRS 18 *Presentation and Disclosure in Financial Statements*, issued in April 2024. IFRS 18 supersedes IAS 1 *Presentation of Financial Statements*. IFRS 18 includes presentation and disclosure requirements that are new and requirements that have been carried forward from IAS 1.
- IN2 IFRS 18 is intended to improve how information is communicated in financial statements by:
- requiring an entity to present defined totals and subtotals and to classify income and expenses into the categories of operating, investing, financing, income taxes and discontinued operations in the statement of profit or loss;
 - requiring an entity to disclose information about management-defined performance measures (MPMs); and
 - strengthening the requirements for aggregating and disaggregating information by introducing principles on aggregation and disaggregation and disclosure requirements for specified expenses by nature.
- IN3 Table 1 summarises the effects of IFRS 18 on the IFRS Accounting Taxonomy. These effects are described in detail in the next sections of this document.

Table 1—How IFRS 18 affects the IFRS Accounting Taxonomy

Topic	Paragraph(s)	Effect on the IFRS Accounting Taxonomy
<i>Key topics</i>		
Presentation requirements for the statement of profit or loss	23–58; 112–117	<ul style="list-style-type: none"> Addition of line-item elements reflecting category information Deprecation of line-item elements Changes to references Changes to labels to reflect category information or reflect that the element represents a total Deprecation of presentation groups '[310000] Statement of comprehensive income, profit or loss, by function of expense' and '[320000] Statement of comprehensive income, profit or loss, by nature of expense' and addition of a single presentation group for the statement presenting comprehensive income, profit or loss
Disclosure requirements for management-defined performance measures	59–80	<ul style="list-style-type: none"> Using line-item elements from the primary financial statements as line-item elements in dimensional modelling Addition of one text block element and two table text block elements Addition of two axes with no specific member elements; one axis representing management-defined performance measures and one axis representing reconciling items

continued...

¹ 'Presentation' refers to items presented in the primary financial statements.

² 'Disclosure' refers to items disclosed in the notes to the financial statements.

...continued

Topic	Paragraph(s)	Effect on the IFRS Accounting Taxonomy
Disclosure requirements for specified expenses by nature	81–103	<ul style="list-style-type: none"> Using line-item elements from the primary financial statements as line-item elements in dimensional modelling Addition of one text block element and one table text block element Addition of one axis with specific member elements representing the specified expenses by nature Deprecation of common practice table 'Disclosure of attribution of expenses by nature to their function'
<i>Other topics</i>		
Narrative disclosure requirements	11–19; 118–122	<ul style="list-style-type: none"> Addition of categorical elements and parent narrative elements Addition of text block elements
Consequential amendments to other IFRS Accounting Standards	123–133	<ul style="list-style-type: none"> Change the line-item element for the starting point of the statement of cash flows from 'Profit (loss)' to 'Operating profit (loss)' Addition of line-item elements Deprecation of line-item elements Changes to labels and to title of presentation group

Reading this proposed update

- IN4 This document uses taxonomy-specific terminology. Appendix A briefly explains the IFRS Accounting Taxonomy terms used in this document. For more information, please refer to the *Guide to Understanding the IFRS® Taxonomy Update* and *Using the IFRS Taxonomy – A preparer's guide*.
- IN5 Changes to IFRS Accounting Taxonomy elements are shown in tables. New elements are shaded in green. For amended element labels or references, added text is underlined and deleted text is struck through. Unchanged elements, which are provided only for ease of reading and context, are shown in grey text. Indents are used to show a taxonomy presentation (or calculation) parent–child relationship between IFRS Accounting Taxonomy elements.
- IN6 The element label shown is the standard label, unless otherwise indicated.
- IN7 Amounts in examples are denominated in currency units (CU). The examples are provided for illustrative purposes – they do not reflect all requirements in IFRS 18.
- IN8 References in tables are not necessarily complete. Tables include references to IFRS 18 or to other IFRS Accounting Standards if there is no reference to IFRS 18; an element might have other references both to IFRS 18 and other IFRS Accounting Standards that are not included in the tables. A full list of references is included in the IFRS Accounting Taxonomy files.

Documentation and guidance labels

- IN9 The IFRS Accounting Taxonomy includes documentation and guidance labels for elements in the IFRS Accounting Taxonomy. Documentation labels describe in text the accounting meaning of each element. Guidance labels advise an entity on correctly using an element.
- IN10 Documentation labels for proposed new elements are included in the proposed *IFRS Taxonomy Illustrated* in Microsoft Excel and the proposed IFRS Accounting Taxonomy files. Changes to documentation labels and new guidance labels are discussed throughout the document.

XBRL properties

- IN11 This document does not give the full list of XBRL properties for the IFRS Accounting Taxonomy elements listed. For further information on the XBRL properties applied to an element, please see the proposed IFRS Accounting Taxonomy files and associated documentation.

IFRS Accounting Taxonomy files

- IN12 The Proposed IFRS Accounting Taxonomy files for this Proposed Taxonomy Update show the proposed taxonomy modelling after the transition period when IFRS 18 is in effect, based on the IFRS Accounting Taxonomy 2024, issued in March 2024.

Effective date

- IN13 IFRS 18 applies for annual reporting periods beginning on or after 1 January 2027, with early application permitted.

Next steps

- IN14 The IASB will analyse comments received on this Proposed Taxonomy Update and will make any necessary changes. After approval by the IASB, an IFRS Accounting Taxonomy Update will be issued.

Invitation to comment

- IN15 The IASB invites comments on this Proposed IFRS Accounting Taxonomy Update, particularly on the questions in this section. Comments are most helpful if they:
- (a) respond to the questions as stated;
 - (b) specify the IFRS Accounting Taxonomy item, table or group of items to which they relate;
 - (c) contain a clear rationale; and
 - (d) include any alternative the IASB should consider, if applicable.
- IN16 Other comments on the IFRS Accounting Taxonomy, or any aspect of it, are also welcome. Any IFRS Accounting Taxonomy amendments resulting from such comments would be included in future updates.

Questions for respondents**Overall approach and methodology**

- IN17 *Approach to existing elements with a reference to IAS 1 (including categorical elements)* – the IASB proposes:
- (a) to retain existing disclosure, example and common practice elements in the IFRS Accounting Taxonomy if the IASB reasonably expects the continued use of those elements to help users of digital financial statements compare entities' tagged information after IFRS 18 becomes effective (for the retained elements, the IASB proposes to change the references of elements from IAS 1 to IFRS 18 and, sometimes, the labels of elements); and
 - (b) to deprecate existing elements in the IFRS Accounting Taxonomy if their continued use could be misleading for users of digital financial statements.
- IN18 *Approach to adding categorical elements* – applying the IFRS Foundation's general policy for adding categorical elements (Appendix C), the IASB proposes to add categorical elements for the new requirements in IFRS 18, including for the accounting policy choices in IFRS 18.
- IN19 *Approach to adding elements based on the Illustrative Examples accompanying IFRS 18* – applying the IFRS Foundation's general policy for adding elements based on Illustrative Examples (Appendix C), the IASB decided not to propose adding elements for all items illustrated in the Illustrative Examples accompanying IFRS 18. The IASB proposes to add elements to the IFRS Accounting Taxonomy only if the IASB reasonably expects entities to use those elements to tag items in their digital financial statements.

Question 1—Overall approach and methodology (paragraphs 1–21)

Do you agree with the IASB's:

- (a) proposed general approach to existing elements with a reference to IAS 1;
- (b) proposal to add categorical elements for the new requirements in IFRS 18 and that the proposed categorical elements adequately reflect the requirements in IFRS 18; and
- (c) proposal to add elements based on the Illustrative Examples accompanying IFRS 18 only if the IASB reasonably expects entities to use those elements to tag items in their digital financial statements?

If not, please specify what changes you suggest and why.

Proposed modelling for the requirements in IFRS 18

- IN20 *Presentation requirements for the statement of profit or loss*—the IASB proposes a line-item modelling approach. Specifically, the IASB proposes:
- (a) for items of income or expenses and subtotals that could only be classified in the same category of the statement of profit or loss by all entities, to change the labels of those line-item elements to reflect category information;
 - (b) for items of income or expenses that could be classified in more than one category of the statement of profit or loss by a single entity or in different categories by different entities:
 - (i) to change the label of existing line-item elements to reflect the fact that they represent total amounts, possibly comprising items of income or expenses in different categories;
 - (ii) to add line-item elements reflecting category information for each category in which an entity is reasonably expected to present the line-item element; and
 - (c) for the defined subtotals 'operating profit or loss' and 'profit or loss before financing and income taxes' required by IFRS 18 and the subtotals listed in paragraph 118 of IFRS 18, to add line-item elements if no suitable related line-item element exists in the IFRS Accounting Taxonomy.
- IN21 *Disclosure requirements for management-defined performance measures*—the IASB proposes:
- (a) for the note on management-defined performance measures:
 - (i) to add a text block element to tag the entire note disclosure; and
 - (ii) to add a table text block element to tag the MPM reconciliation;
 - (b) for the reconciliation between a management-defined performance measure and the most directly comparable subtotal listed in paragraph 118 of IFRS 18, or total or subtotal specifically required to be presented or disclosed by IFRS Accounting Standards, to add a dimensional table with:
 - (i) a 'management-defined performance measures' axis;
 - (ii) a 'reconciling items in reconciliation of management-defined performance measures' axis; and
 - (iii) line-item elements from the primary financial statements as line-item elements.
- IN22 *Disclosure requirements for specified expenses by nature*—the IASB proposes:
- (a) for the note on specified expenses by nature:
 - (i) to add a text block element; and
 - (ii) to add a table text block element;
 - (b) for the disclosure of the amounts of specified expenses by nature related to line items in the operating category of the statement of profit or loss, to add a dimensional table with one axis with specific member elements representing the specified expenses by nature and line-item elements from the primary financial statements as line-item elements; and
 - (c) to deprecate the existing common practice table 'Disclosure of attribution of expenses by nature to their function' and related elements.
- IN23 *Implementation guidance*—the IASB proposes providing implementation guidance for preparers to help ensure consistent application of the proposed modelling.

Question 2—Presentation requirements for the statement of profit or loss (paragraphs 23–58)

- (a) Do you agree with the IASB’s proposed approach of using line-item modelling for the presentation requirements for the statement of profit or loss, specifically:
- (i) for items of income or expenses and subtotals that could only be classified in the same category by all entities, to change the labels of those line-item elements to reflect category information;
 - (ii) for items of income or expenses that could be classified in more than one category by a single entity or in different categories by different entities:
 - i. to change the label of existing line-item elements to reflect the fact that they represent total amounts, possibly comprising items of income or expenses in different categories;
 - ii. to add line-item elements reflecting category information for each category in which an entity is reasonably expected to present the line-item element; and
 - (iii) for the defined subtotals ‘operating profit or loss’ and ‘profit or loss before financing and income taxes’ required by IFRS 18 and the subtotals listed in paragraph 118 of IFRS 18, to add line-item elements if no related line-item element exists in the IFRS Accounting Taxonomy?

If not, please specify what changes you suggest and why.

- (b) Do you have any views on the use of category metadata as a mechanism to reflect category information (for example, in addition to the proposed line-item modelling approach for the presentation requirements for the statement of profit or loss or for other future improvements)?

If yes, please specify why you would recommend using category metadata or, alternatively, why you would advise against using it.

Question 3—Disclosure requirements for management-defined performance measures (paragraphs 59–80)

Do you agree with the proposed modelling for management-defined performance measures, specifically:

- (a) using dimensional modelling with two axes for the reconciliation between a management-defined performance measure and the most directly comparable subtotal listed in paragraph 118 of IFRS 18, or total or subtotal specifically required to be presented or disclosed by IFRS Accounting Standards; and
- (b) using line-item elements from the primary financial statements as line-item elements?

If not, please describe what alternative modelling you suggest and why.

Question 4—Disclosure requirements for specified expenses by nature (paragraphs 81–103)

- (a) Do you agree with the proposed modelling for specified expenses by nature, specifically:
- (i) using dimensional modelling using one axis with specific member elements representing the specified expenses by nature; and
 - (ii) using line-item elements from the primary financial statements as line-item elements?

If not, please describe what alternative modelling you suggest and why.

- (b) Do you agree with the IASB’s proposal to deprecate the existing common practice table ‘Disclosure of attribution of expenses by nature to their function’ and related elements?

If not, please specify why.

Question 5—Implementation guidance for preparers (paragraphs 104–110)

Do you agree with the proposed implementation guidance for preparers?

If not, please describe what alternative implementation guidance you suggest and why.

Further proposed changes to the IFRS Accounting Taxonomy

- IN24 *Presentation group for the statement presenting comprehensive income, profit or loss*—the IASB proposes:
- (a) to deprecate the presentation groups '[310000] Statement of comprehensive income, profit or loss, by function of expense' and '[320000] Statement of comprehensive income, profit or loss, by nature of expense'; and
 - (b) to add a single presentation group for the statement presenting comprehensive income, profit or loss to appropriately reflect the requirements in IFRS 18.
- IN25 *Relationship between the notes and primary financial statements*—the IASB encourages preparers to use the 'fact-explanatoryFact' footnoteArc mechanism to connect disclosures in the notes with figures presented in the primary financial statements.
- IN26 *Proposals relating to consequential amendments to other IFRS Accounting Standards*—the IASB proposes to make changes to the IFRS Accounting Taxonomy to reflect consequential amendments to other IFRS Accounting Standards. Specifically, the IASB proposes:
- (a) to reflect amendments to IAS 7 *Statement of Cash Flows* by:
 - (i) changing the line-item element for the starting point of the statement of cash flows from 'Profit (loss)' to 'Operating profit (loss)' and, therefore, deprecating adjustment line-item elements that relate to 'profit or loss' but not to 'operating profit or loss';
 - (ii) deprecating the line-item element 'Dividends paid, classified as operating activities'; and
 - (iii) adding new line-item elements for cash receipts and payments for interests in associates and joint ventures;
 - (b) to change the label of one line-item element to reflect amendments to IAS 12 *Income Taxes*; and
 - (c) to make changes to reflect the amended title of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.
- IN27 *Effective date and transition*—during the period of transition to IFRS 18, the IASB proposes to create two taxonomy entry points when the annual compilation of IFRS 18 is conducted, specifically:
- (a) an entry point 'IFRS full taxonomy with elements reflecting IAS 1 presentation and disclosure requirements'; and
 - (b) an entry point 'IFRS full taxonomy with elements reflecting IFRS 18 presentation and disclosure requirements'.
- IN28 *Replacing 'IFRS' with 'IFRS Accounting Standard'*—the IASB proposes to change the term 'IFRS' or 'IFRS Standard' to 'IFRS Accounting Standard' in all documentation labels in the IFRS Accounting Taxonomy that refer to IFRS Accounting Standards. However, the IASB also proposes:
- (a) to keep the term 'IFRS' in the element labels; and
 - (b) to retain the labels unchanged if the term 'IFRS' is used with a number.

Question 6—Presentation group for the statement presenting comprehensive income, profit or loss (paragraphs 112–117)

Do you agree with the IASB's proposal:

- (a) to deprecate the existing presentation groups '[310000] Statement of comprehensive income, profit or loss, by function of expense' and '[320000] Statement of comprehensive income, profit or loss, by nature of expense'; and
- (b) to add a single presentation group for the statement presenting comprehensive income, profit or loss?

If not, please specify why.

Question 7—Other proposed changes to the IFRS Accounting Taxonomy (paragraphs 118–146)

Do you agree with the IASB's other proposed changes to the IFRS Accounting Taxonomy, including the proposed approach to organising the IFRS Accounting Taxonomy during the period of transition to IFRS 18?

If not, please specify why.

Deadline

The IASB will consider all written comments received by 3 September 2024.

How to comment

Please submit your comments electronically:

Online	https://www.ifrs.org/projects/open-for-comment/
By email	commentletters@ifrs.org
Survey	https://ifrs.qualtrics.com/jfe/form/SV_6VfTTggsGaIKqH4

Your comments will be on the public record and posted on our website unless you request confidentiality and we grant your request. We do not normally grant such requests unless they are supported by a good reason, for example, commercial confidence. Please see our website for details on this policy and on how we use your personal data. If you would like to request confidentiality, please contact us at commentletters@ifrs.org before submitting your letter.

This document uses several abbreviations. ‘ET’ refers to element type and ‘ER’ to element reference type. Element type ‘M’ refers to monetary, ‘T’ to text, ‘TB’ to text block, ‘B’ to Boolean, and ‘EE’ to extensible enumeration. Reference type ‘D’ refers to disclosure, ‘E’ to example and ‘CP’ to common practice. A short code appended to labels is used to refer to axes and members: ‘[A]’ refers to an axis, ‘[M]’ refers to a member, and ‘[DM]’ refers to the domain member of the axis.

Overall approach and methodology

- 1 This section discusses the IASB’s proposed approach to:
- (a) existing elements with a reference to IAS 1 (paragraphs 2–10);
 - (b) adding categorical elements (paragraphs 11–19); and
 - (c) adding elements based on the Illustrative Examples accompanying IFRS 18 (paragraphs 20–21).

Approach to existing elements with a reference to IAS 1

- 2 The IASB’s proposed general approach to existing elements with a reference to IAS 1 is:
- (a) to retain existing elements in the IFRS Accounting Taxonomy if the IASB reasonably expects the continued use of those elements to help users of digital financial statements compare entities’ tagged information after IFRS 18 becomes effective;³ and
 - (b) to deprecate existing elements in the IFRS Accounting Taxonomy if their continued use could be misleading for users of digital financial statements.
- 3 The proposed general approach would have the benefit of:
- (a) allowing preparers to reuse existing elements in the IFRS Accounting Taxonomy; and
 - (b) retaining trend information for users of digital financial statements.
- 4 Three types of elements in the IFRS Accounting Taxonomy have a reference to IAS 1:
- (a) disclosure elements;
 - (b) example elements; and
 - (c) common practice elements.

Disclosure and example elements other than categorical elements

- 5 Applying its proposed general approach (paragraph 2), the IASB would retain existing disclosure and example elements unless:
- (a) the requirements or examples have been carried forward from IAS 1 to IFRS 18 but have been substantially changed—in which case the IASB proposes to deprecate the elements and add new elements in their place; or
 - (b) the requirements or examples have not been carried forward from IAS 1 to IFRS 18—in which case the IASB proposes to deprecate the elements.
- 6 For the retained disclosure and example elements, the IASB proposes:
- (a) to change the references of the elements if the requirements or examples have been carried forward from IAS 1 to IFRS 18 (or another Accounting Standard) unchanged; and
 - (b) to change both the references and labels of the elements if the requirements or examples have been carried forward from IAS 1 to IFRS 18 (or to another Accounting Standard) with minor textual adjustments that do not substantially change the meaning of the requirement or example.⁴

³ See Appendix C for the IFRS Foundation’s policy for the attribution of elements to presentation groups.

⁴ No labels will be changed for elements with an expiration date—that is, only their references will be updated.

Table 2—Extract of proposed changes to existing elements

Element label	ET	ER	Reference
Trade and other payables	M	D	IAS 1.54(k) IFRS 18.103(m)
Profit (loss) before tax	M	ED	IAS 1.102, IAS 1.103
Profit (loss) before income taxes			IFRS 18.118(e)

Common practice elements other than categorical elements

- 7 The IASB considered two options for existing common practice elements:
- retain existing common practice elements that include a reference to IAS 1 unless their continued use could be misleading for users, in which case the element would be deprecated;⁵ or
 - deprecate all existing common practice elements that include a reference to IAS 1 and, if necessary, add new elements once a common practice review has been completed.
- 8 The IASB proposes the first option because that approach is consistent with the proposed general approach to existing elements with a reference to IAS 1—that is, existing elements are retained unless their continued use could be misleading for users of digital financial statements (paragraph 2). For the retained common practice elements, the IASB proposes to change the references from IAS 1 to IFRS 18.⁶
- 9 A review of the common practice elements will take place after IFRS 18 becomes effective. This review might lead to the IASB adding or deprecating some common practice elements.

Categorical elements

- 10 Applying its proposed general approach (paragraph 2), the IASB would retain all existing categorical elements irrespective of their reference type because the requirements for categorical information have been carried forward from IAS 1 to IFRS 18 unchanged (see Appendix C for more information on categorical elements).⁷ The reference of those elements will be changed to IFRS 18 (see Table 3 for an example of the proposed changes).

Table 3—Extract of proposed changes to existing categorical elements

Element label	List	ET	ER	Reference
Nature of financial statements	Separate / Consolidated	EE	D	IAS 1.51(b) IFRS 18.27(b), IAS 27.16(a), IAS 27.17(a)
Entity complied with any externally imposed capital requirements	True / False	B	D	IAS 1.135(d) IFRS 18.127(d)

Approach to adding categorical elements**Boolean elements**

- 11 IFRS 18 includes new requirements for categorical information (for example, disclosures about management-defined performance measures, see paragraphs 60–65). Applying the IFRS Foundation's general policy for adding categorical elements (Appendix C), the IASB proposes to add Boolean elements and parent narrative elements for those new requirements (for example, for the disclosure requirements in paragraphs 125 and B134(b) of IFRS 18). This parent-child approach of adding child categorical elements and a parent narrative element would allow preparers (1) to tag categorical information in a categorical format by using the child categorical element and (2) to tag additional contextual information by using the parent narrative element. Users of digital financial statements could search for and analyse parent narrative elements separately from other information to understand the context of a categorical element.

5 An example of such an element is the line-item element for the subtotal 'profit or loss from operating activities'. 'Profit or loss from operating activities' is not defined in IFRS Accounting Standards and might comprise other items of income or expenses than the defined subtotal 'operating profit or loss' required by IFRS 18 *Presentation and Disclosure in Financial Statements*. Therefore, retaining the subtotal could be misleading for users of digital financial statements.

6 No labels will be changed for elements with an expiration date—that is, only their references will be updated.

7 Categorical elements are included in the IFRS Accounting Taxonomy 2024.

- 12 The IASB considered whether to add a categorical element for the requirement in paragraph 122 of IFRS 18 for an entity to include in the note on management-defined performance measures a statement that explains that the management-defined performance measures provide management's view of an aspect of the financial performance of the entity as a whole and are not necessarily comparable with measures sharing similar labels or descriptions provided by other entities.
- 13 Applying the IFRS Foundation's general policy for adding categorical elements (Appendix C), the IASB decided not to propose adding a categorical element for the statement required by paragraph 122 of IFRS 18. The IASB expects that all entities that disclose management-defined performance measures would disclose similar types of statements. Adding a categorical element would not help users of digital financial statements analyse disclosures more efficiently than they could otherwise do.
- 14 Appendix B includes a list of the proposed child categorical elements and parent narrative elements.

Extensible enumeration elements

- 15 IFRS 18 includes two accounting policy choices for entities that provide financing to customers but do not invest in assets as a main business activity, specifically:
- (a) paragraph 56(b)(ii) of IFRS 18 permits such entities to classify, in either the operating or investing category, income and expenses from cash and cash equivalents that are unrelated to providing financing to customers; and
 - (b) paragraph 65(a)(ii) of IFRS 18 permits such entities to classify, in either the operating or financing category, income and expenses from liabilities that arise from transactions that involve only the raising of finance and do not relate to providing financing to customers.
- 16 An entity is required to apply the accounting policy choices consistently—that is, the entity either classifies the income and expenses described in paragraph 15 (1) in the operating category or (2) in the investing and financing categories. IAS 8.27A in conjunction with IAS 8.27C(b) requires the disclosure of accounting policy choices chosen by an entity as part of their material accounting policy information.
- 17 The IFRS Foundation's general policy for adding categorical elements allows for the addition of categorical elements for accounting policy choices (Appendix C).
- 18 Therefore, the IASB proposes to add extensible enumeration elements for the accounting policy choices in IFRS 18 (Table 4). Specifically, the IASB proposes:
- (a) to add two extensible enumeration elements—the IASB proposes to add two elements because the categories in which the income and expenses described in paragraph 15 would be classified, if not classified in the operating category, are different. (That is, the income or expenses described in paragraph 15(a) would be classified in the investing category and the income or expenses described in paragraph 15(b) would be classified in the financing category.)
 - (b) to add a parent narrative element for the proposed (child) extensible enumeration elements. The IASB proposes to add only one parent narrative element because both accounting policy choices are required to be applied consistently.

Table 4—Proposed extensible enumeration elements and parent narrative element

Element label	List	ET	ER	Reference
Description of accounting policy choices for income and expenses from specific cash and cash equivalents and from specific liabilities		TB	D	IFRS 18.56(b)(ii), IFRS 18.65(a)(ii)
Classification of income and expenses from specific cash and cash equivalents	Operating category / Investing category	EE	D	IFRS 18.56(b)(ii)
Classification of income and expenses from specific liabilities	Operating category / Financing category	EE	D	IFRS 18.65(a)(ii)

- 19 The IASB will consider adding, as a general improvement in the future, extensible enumeration elements for accounting policy choices in other IFRS Accounting Standards that do not include a specific requirement for an entity to disclose how it has exercised a particular accounting policy choice.

Approach to adding elements based on the Illustrative Examples accompanying IFRS 18

- 20 Applying the IFRS Foundation's general policy for adding elements to reflect requirements in IFRS Accounting Standards and the Illustrative Examples or Implementation Guidance that accompany those Standards (Appendix C), the IASB decided not to propose adding elements for all items of income or expenses illustrated in the various examples of a statement of profit or loss in the Illustrative Examples accompanying IFRS 18.
- 21 The items included in the Illustrative Examples accompanying IFRS 18 are intended to illustrate how the requirement for an entity to provide in the statement of profit or loss a useful structured summary of its income and expenses could be applied (paragraphs 21–24 of IFRS 18). The IASB does not expect that the items included in those examples would necessarily correspond to items an entity is likely to present in its statement of profit or loss. Therefore, including elements for such items in the IFRS Accounting Taxonomy would not be useful for preparers.⁸

Question on overall approach and methodology

Question 1—Overall approach and methodology	
Do you agree with the IASB's:	
(a)	proposed general approach to existing elements with a reference to IAS 1;
(b)	proposal to add categorical elements for the new requirements in IFRS 18 and that the proposed categorical elements adequately reflect the requirements in IFRS 18; and
(c)	proposal to add elements based on the Illustrative Examples accompanying IFRS 18 only if the IASB reasonably expects entities to use those elements to tag items in their digital financial statements?
If not, please specify what changes you suggest and why.	

Proposed modelling for the requirements in IFRS 18

- 22 This section discusses the proposed modelling for the requirements in IFRS 18 and the proposed implementation guidance for preparers, specifically:
- (a) the presentation requirements for the statement of profit or loss (paragraphs 23–58);
 - (b) the disclosure requirements for management-defined performance measures (paragraphs 59–80);
 - (c) the disclosure requirements for specified expenses by nature (paragraphs 81–103); and
 - (d) the implementation guidance for preparers (paragraphs 104–110).

Presentation requirements for the statement of profit or loss

- 23 This section discusses:
- (a) the presentation requirements in IFRS 18 for the statement of profit or loss (paragraphs 23–28);
 - (b) the proposed modelling for the presentation requirements for the statement of profit or loss (paragraphs 29–47); and
 - (c) the alternative modelling considered for the presentation requirements for the statement of profit or loss (paragraphs 48–58).

Requirements in IFRS 18

- 24 Paragraph 47 of IFRS 18 requires an entity to classify income and expenses included in the statement of profit or loss in one of five categories:
- (a) the operating category;

⁸ If an element is not included in the IFRS Accounting Taxonomy, extension elements will be created for the tagged Illustrative Examples accompanying IFRS 18.

- (b) the investing category;
- (c) the financing category;
- (d) the income taxes category; and
- (e) the discontinued operations category.
- 25 Paragraphs 52–68 of IFRS 18 set out requirements for classifying income and expenses in the operating, investing, financing, income taxes and discontinued operations categories. Additionally, paragraphs B65–B76 of IFRS 18 set out requirements for how foreign exchange differences, the gain or loss on the net monetary position, and gains and losses on derivatives and designated hedging instruments are classified in the categories.
- 26 Paragraph 69 of IFRS 18 requires an entity to present totals and subtotals in the statement of profit or loss for:
- (a) operating profit or loss;
- (b) profit or loss before financing and income taxes;⁹ and
- (c) profit or loss (carried forward from IAS 1 to IFRS 18).
- 27 An entity is required to present additional subtotals in the statement of profit or loss if their presentation is necessary to provide a useful structured summary of the entity’s income and expenses (paragraph 24 of IFRS 18). The IASB expects that some entities might present as additional subtotals some of the subtotals listed in paragraph 118 of IFRS 18 (for example, the subtotal ‘operating profit or loss before depreciation, amortisation and impairments within the scope of IAS 36’).
- 118 ...
- (a) gross profit or loss (revenue minus cost of sales) and similar subtotals (see paragraph B123);
- (b) operating profit or loss before depreciation, amortisation and impairments within the scope of IAS 36;
- (c) operating profit or loss and income and expenses from all investments accounted for using the equity method;
- (d) for an entity that applies paragraph 73, a subtotal comprising operating profit or loss and all income and expenses classified in the investing category;
- (e) profit or loss before income taxes; and
- (f) profit or loss from continuing operations.
- 28 Figure 1 is an example of a statement of profit or loss and illustrates how an entity might apply the requirements described in paragraphs 24–27.¹⁰ An entity might conclude that presenting line items or subtotals other than those illustrated in this example provides a useful structured summary of its income and expenses.

⁹ An entity that provides financing to customers as a main business activity and classifies in the operating category all income and expenses from liabilities that arise from transactions that involve only the raising of finance (that is, classifies in the operating category income and expenses from liabilities that arise from transactions that involve only the raising of finance and do not relate to providing financing to customers applying the accounting policy choice in accordance with paragraph 65(a)(ii) of IFRS 18) is prohibited from presenting the otherwise required subtotal profit or loss before financing and income taxes (paragraph 73 of IFRS 18). Such an entity might instead conclude that presenting another subtotal provides a useful structured summary of the entity’s income and expenses.

¹⁰ The categories on the right-hand side of this example are for illustrative purposes only. An entity is not required to present categories in the statement of profit or loss.

Figure 1—Illustration of a statement of profit or loss

Revenue	Operating
Cost of sales	
Gross profit	
Other operating income	
Selling expenses	
Research and development expenses	
General and administrative expenses	
Goodwill impairment loss	
Other operating expenses	
Operating profit	
Share of profit and gains on disposals of associates and joint ventures	Investing
Profit before financing and income taxes	
Interest expenses on borrowings and lease liabilities	Financing
Interest expenses on pension liabilities and provisions	
Profit before income taxes	
Income tax expense	Income taxes
Profit from continuing operations	
Loss from discontinued operations	Discontinued operations
Profit for the year	

Proposed modelling for the presentation requirements for the statement of profit or loss*Proposed modelling for conveying category information*

- 29 Applying the requirements in IFRS 18 for the classification of income and expenses in categories in the statement of profit or loss (paragraphs 24–25), particular items of income or expenses:
- will be presented in the same category by all entities;
 - might be presented in more than one category by a single entity; and
 - might be presented in different categories by different entities (for example, some entities might present an item in the investing category and other entities might present that item in the operating category).¹¹
- 30 The IASB considered three possible modelling approaches to convey the category of an item presented in the statement of profit or loss to users of digital financial statements, specifically:
- a line-item modelling approach (paragraphs 32–47);
 - an approach using category metadata (paragraphs 49–54); and
 - a dimensional modelling approach (paragraphs 55–58).
- 31 The IASB acknowledged that the three approaches have advantages and disadvantages but concluded that, on balance and considering the current state of digital reporting, the advantages of a line-item modelling approach outweigh the disadvantages. Therefore, the IASB proposes a line-item modelling approach.
- 32 If a line-item modelling approach were used, category information would not be modelled as such, but included in the line-item element label. For example, to indicate that the item ‘cost of sales’ is presented in the operating category of the statement of profit or loss, the label of the line-item element for cost of sales would be changed to ‘Cost of sales, operating’. A line-item modelling approach is consistent with:
- the approach used for items in the statement of cash flows that could be presented in more than one category (for example, the IFRS Accounting Taxonomy includes separate line-item elements for ‘dividends received, classified as operating activities’ and ‘dividends received, classified as investing activities’); and
 - the approach used for items in the statement of financial position (for example, the IFRS Accounting Taxonomy includes separate line-item elements for ‘non-current provisions’ and ‘current provisions’).

¹¹ Entities with specified main business activities classify some income and expenses in the operating category that would otherwise be classified in the investing or financing category. (That is, entities that provide financing to customers or invest in assets as a main business activity, such as banks or insurers.)

33 The IASB proposes to reflect category information in the line-item element label for both:

- (a) items of income or expenses (paragraphs 34–39); and
- (b) totals and subtotals, if possible (paragraphs 40–45).

Items of income or expenses in the statement of profit or loss

34 For items of income or expenses that all entities present in the same category (paragraph 29(a)), and for which there are existing elements in the IFRS Accounting Taxonomy, the IASB proposes to change the labels of those line-item elements in the IFRS Accounting Taxonomy to reflect category information (see Table 5 for an example of a proposed label change to line-item elements).

35 For items of income or expenses that could be presented in more than one category by a single entity or in different categories by different entities (paragraphs 29(b)–29(c)), it would be necessary to add line-item elements reflecting category information to the IFRS Accounting Taxonomy. The IASB considered three approaches for adding line-item elements, specifically:

- (a) *Approach 1* – for all items of income or expenses that the IASB reasonably expects entities to present, line-item elements reflecting category information would be added for variations of that item that are reasonably expected to be presented. (For example, if a particular item is reasonably expected to be presented only in the operating category a line-item element would be added for the operating category only.) Reasonable expectation is not the same as common practice assessment—meaning, if the IASB thinks a variation of an item of income or expense is reasonably expected to be presented by only a few entities, then those elements would be added applying this approach.
- (b) *Approach 2* – for all items of income or expenses that the IASB reasonably expects entities to present, line-item elements reflecting category information would be added for all variations of that item. (For example, if a particular item could be presented in the operating, investing or financing category, three line-item elements would be added.)
- (c) *Approach 3* – for all items of income or expenses, line-item elements reflecting category information would be added for all variations of that item. (For example, if a particular item could be classified in the operating, investing or financing category, three line-item elements would be added, regardless of the IASB’s expectation of whether such items would be presented in that category by entities.)

36 In the IASB’s view, Approach 2 and Approach 3 are counterintuitive because they would lead to the addition of line-item elements for which the IASB does not reasonably expect entities to use those line-item elements to tag items presented in the statement of profit or loss. Furthermore, Approach 3 would lead to the addition of several hundred line-item elements to the IFRS Accounting Taxonomy, adding clutter to the IFRS Accounting Taxonomy and increasing the effort needed to maintain the IFRS Accounting Taxonomy.

37 The IASB proposes to use Approach 1 because it would add line-item elements that the IASB reasonably expects entities to use to tag items presented in the statement of profit or loss.¹² The proposed approach would:

- (a) not significantly increase the risk of entities needing to create extension line-item elements;
- (b) reduce the risk of adding clutter to the IFRS Accounting Taxonomy; and
- (c) reduce the effort needed to maintain the IFRS Accounting Taxonomy.

38 The existing line-item elements in the IFRS Accounting Taxonomy, representing total amounts of items of income or expenses, would be retained. The labels of these elements would be changed to reflect that they represent total amounts (see Table 6 for an example of the proposed addition and retention of line-item elements). Having line-item elements for total amounts is necessary because preparers might disclose total amounts of an item of income or expenses in the notes to the financial statements. Guidance would be provided to explain that preparers should not use line-item elements labelled ‘total’ to tag items of income or expense in the statement of profit or loss (paragraphs 106–108).¹³ Such guidance is necessary because elements labelled ‘total’ could comprise items of income or expenses that are classified in more than one category in the statement of profit or loss.

12 Items of income or expenses that the IASB reasonably expects entities to present in the statement of profit or loss include line-item elements in the presentation groups ‘[310000] Statement of comprehensive income, profit or loss, by function of expense’ and ‘[320000] Statement of comprehensive income, profit or loss, by nature of expense’ and specific line-item elements from other presentation groups (See paragraph 115 on line-item elements that the IASB reasonably expects entities might present and Appendix F for an illustration of the proposed single presentation group for the statement presenting comprehensive income, profit or loss).

13 Line-item elements for items of income or expenses that all entities present in the same category would not include ‘total’ in their label even though they represent total amounts of that item of income or expense. Instead, as described in paragraph 34, the labels of those elements would reflect the category in which that particular item is classified.

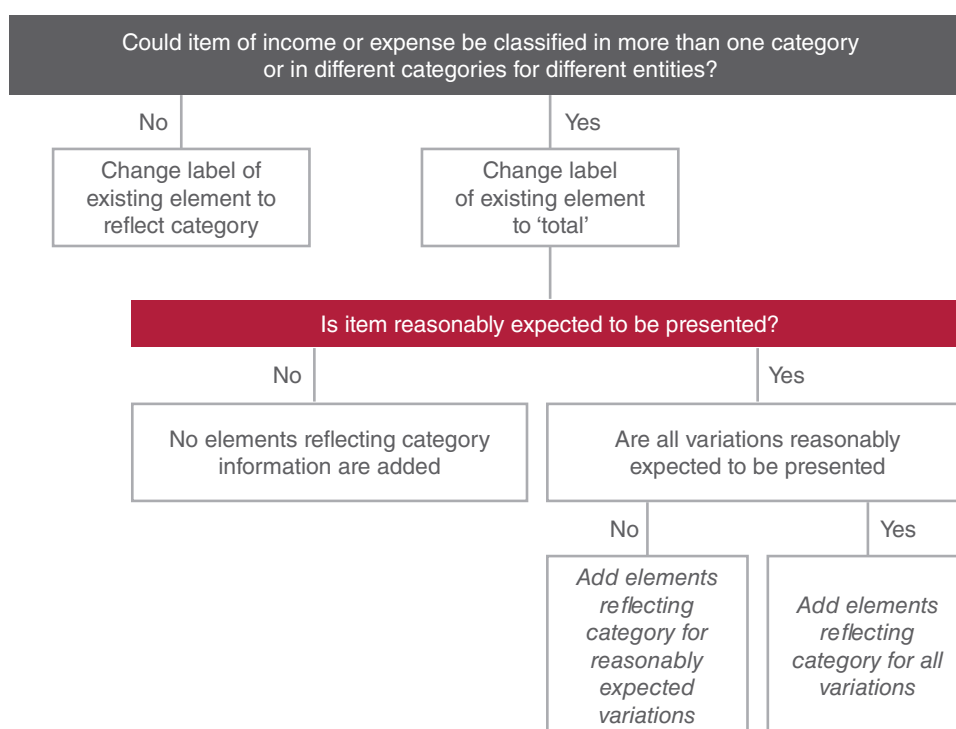
Table 5—Example of proposed label changes to line-item elements

Element label	ET	ER	Reference
Cost of sales, <u>operating</u>	M	D	IAS 1.99; IAS 1.103 IFRS 18.81, IFRS 18.82(a)

Table 6—Example of proposed addition and retention of line-item elements

Element label	ET	ER	Reference
Foreign exchange gain (loss), <u>total</u>	M	E	IFRS 18.B28
Foreign exchange gain (loss), operating	M	E	IFRS 18.B28
Foreign exchange gain (loss), investing	M	E	IFRS 18.B28
Foreign exchange gain (loss), financing	M	E	IFRS 18.B28
Foreign exchange gain (loss), income taxes	M	E	IFRS 18.B28

- 39 Figure 2 illustrates the IASB’s proposed approach for adding line-item elements reflecting category information and changing labels of line-item elements in the IFRS Accounting Taxonomy.

Figure 2—Proposed approach for adding and changing labels of line-item elements (paragraphs 34–38)¹⁴**Totals and subtotals in the statement of profit or loss**

- 40 The IASB proposes to add line-item elements for:
- the required defined subtotals ‘operating profit or loss’ and ‘profit or loss before financing and income taxes’ (paragraph 69(a)–(b) of IFRS 18); and
 - the subtotals listed in paragraph 118 of IFRS 18 if no related line-item element exists in the IFRS Accounting Taxonomy.
- 41 The IASB proposes to use the same approach to that proposed for items of income or expenses (paragraph 34) and, if possible, to reflect category information in the label of line-item elements for totals or subtotals.

¹⁴ See section ‘Presentation group for the statement presenting comprehensive income, profit or loss’ (paragraphs 112–117) for more information on the attribution of elements to presentation groups.

42 Category information cannot be reflected in the label of line-item elements for totals because totals comprise items of income or expenses that are included in more than one category in the statement of profit or loss. However, category information can be reflected in the label of line-item elements for some subtotals.

43 Subtotals and totals can be grouped into two distinct buckets:

- (a) subtotals that can be attributed to a category in the statement of profit or loss (for example, the subtotal 'gross profit (loss)' can be attributed to the operating category); or
- (b) subtotals or totals that cannot be attributed to a category in the statement of profit or loss because they include income and expenses from more than one category (for example, the subtotal 'profit or loss before financing and income taxes' cannot be attributed to a category because this subtotal consists of income and expenses from both the operating and investing categories).

44 For subtotals that can be attributed to a category in the statement of profit or loss, the IASB proposes to reflect category information in the line-item element label (for example, 'Gross profit (loss), operating').

45 For subtotals or totals that cannot be attributed to a category in the statement of profit or loss, the IASB proposes to leave their element labels unchanged.

Advantages and disadvantages of the proposed modelling for conveying category information

46 The advantages of a line-item modelling approach are that:

- (a) it is consistent with the IFRS Foundation's general policy for modelling presentation requirements—that is, for requirements relating to the primary financial statements (Appendix C). Preparers and users of digital financial statements would not need to invest additional time and effort adapting to a different modelling approach.
- (b) it allows for XBRL calculations to work throughout the statement(s) of financial performance. Users of digital financial statements could find and analyse the line-item elements included in a total or subtotal (subject to regulatory requirements and the functionality of systems used to access digital financial statements).

47 Disadvantages of the line-item modelling approach include:

- (a) the risk of information about categories being hard to access by users and therefore not sufficiently facilitating their analysis and comparison of digital reports.
- (b) the need for the IASB to apply judgement in deciding which variations of item of income or expenses an entity is reasonably expected to present in the statement of profit or loss. Applying judgement could have unintended effects on how entities determine which items of income or expenses to present (that is, it could be perceived as if the IASB only expects the variations of an item for which an element reflecting category information exists to be presented).
- (c) the risk of entities incorrectly tagging the statement of profit or loss because the IFRS Accounting Taxonomy would include elements for items of income or expenses with similar labels—some of which are to be used to tag the statement of profit or loss and some of which are to be used to tag information in the notes (for example, 'Foreign exchange gain (loss), operating' versus 'Foreign exchange gain (loss), total').
- (d) the risk of entities having to create extension line-item elements (reflecting category information) to tag line items in the statement of profit or loss although the IFRS Accounting Taxonomy might include a 'total element' for that item that—in some cases—could have been used instead.
- (e) the risk of reliance on entities appropriately reflecting category information in the labels of extension line-item elements and the risk of translation issues arising from the creation of extension line-item elements labelled in non-English languages.¹⁵
- (f) the risk of adding clutter to the IFRS Accounting Taxonomy. The approach would require the number of line-item elements to be increased, which might make it more difficult for preparers to find and users of digital financial statements to analyse the correct line-item elements.
- (g) the risk of creating additional effort to maintain the IFRS Accounting Taxonomy.

¹⁵ The IASB expects that preparers would not need to create many extension line-item elements because of the requirements in IFRS 18 relating to classifying income and expenses in categories in the statement of profit or loss.

Alternative modelling considered for conveying category information

48 As an alternative to the proposed modelling approach, the IASB considered:

- (a) using category metadata (paragraphs 49–54); and
- (b) using a dimensional modelling approach (paragraphs 55–58).

Category metadata approach

49 The IASB considered solely using category metadata to convey category information to users of digital financial statements. Using such an approach, it would have been unnecessary to add line-item elements of income or expenses reflecting category information to the IFRS Accounting Taxonomy. Instead, the IASB would have proposed to add five line-item elements for the respective categories in the statement of profit or loss (operating, investing, financing, income taxes and discontinued operations). Entities could convey category information to users of digital financial statements by linking each presented line-item element of income or expense to those newly added line-item elements. Category metadata could have been used to convey category information for:

- (a) line-item elements included in the IFRS Accounting Taxonomy; and
- (b) extension line-item elements created by entities.

50 The advantages of using category metadata would have included:

- (a) conveying to users category information for all line-item elements presented in the statement of profit or loss (including for extension line-item elements);
- (b) making it unnecessary for the IASB to apply judgement in deciding which items of income or expenses an entity is reasonably expected to present in the statement of profit or loss and thus, avoiding the risks associated with such judgement;
- (c) avoiding the risk of entities incorrectly tagging items in the statement of profit or loss with elements that should be used only to tag information in the notes;
- (d) avoiding the risk of entities having to create extension line-item elements to tag line items in the statement of profit or loss although the IFRS Accounting Taxonomy includes a ‘total element’ for that item;
- (e) avoiding the risk of entities not reflecting category information in the labels of extension line-item elements and the risk of translation issues arising from the creation of extension line-item elements labelled in non-English languages;
- (f) avoiding the risk of adding clutter to the IFRS Accounting Taxonomy (only five line-item elements would be added); and
- (g) avoiding the additional effort that would be required to maintain the IFRS Accounting Taxonomy (only five line-item elements would be added).

51 Disadvantages of using category metadata would have included:

- (a) changes to the current IFRS Taxonomy architecture:
 - (i) leading to inconsistent modelling approaches between jurisdictions (because category metadata is not currently used in some jurisdictions); and
 - (ii) requiring preparers and users of digital financial statements to invest additional time and effort to adapt to such an approach.
- (b) the risk that entities would not use category metadata consistently when tagging information, thus making it hard for users to compare entities’ digital financial statements. (For example, some entities might not use category metadata but instead create extension line-item elements and reflect category information in the line-item element label.)

52 The IASB rejected a modelling approach that would be based solely on the use of category metadata because of the disadvantages described in paragraph 51(b) and because information about the category to which an item of income or expense relates is the key information for users of digital financial statements and should be reflected in the label of the line-item element itself.

53 However, category metadata could be used together with the proposed line-item modelling approach (paragraphs 29–47):

- (a) to convey category information if no line-item element reflecting category information is included in the IFRS Accounting Taxonomy; and
- (b) to mitigate translation issues arising from the creation of extension line-item elements labelled in non-English languages.

54 Therefore, the IASB is seeking feedback on the potential use of category metadata for:

- (a) the presentation requirements for the statement of profit or loss (that is, whether category metadata should be used in addition to the proposed line-item modelling approach); and
- (b) other future improvements to the IFRS Accounting Taxonomy.

Dimensional modelling approach

55 The IASB also considered using a dimensional modelling approach to convey category information. If such an approach were to be used, it would be unnecessary to change labels of elements to reflect category information or to add to the IFRS Accounting Taxonomy line-item elements for items of income or expenses that could be presented in more than one category by a single entity or in different categories by different entities. Instead, the IASB would have proposed to add a new ‘Profit or loss category’ axis with five member elements, representing the categories in the statement of profit or loss (operating, investing, financing, income taxes and discontinued operations). Those member elements could have been used to convey category information with:

- (a) any line-item element in the IFRS Accounting Taxonomy; or
- (b) any extension line-item element.

56 Member elements could have also been used with the proposed line-item modelling approach (paragraphs 29–47) –that is, member elements could have been used if no line-item element reflecting category information is included in the IFRS Accounting Taxonomy.

57 The advantages of a dimensional modelling approach would have included:

- (a) conveying to users category information for all line-item elements presented in the statement of profit or loss (including for extension line-item elements);
- (b) making it unnecessary for the IASB to apply judgement in deciding which items of income or expenses an entity is reasonably expected to present in the statement of profit or loss and thus, avoiding the risks associated with such judgement;
- (c) avoiding the risk of entities incorrectly tagging items in the statement of profit or loss with elements that should be used only to tag information in the notes;
- (d) avoiding the risk of entities having to create extension line-item elements to tag line items in the statement of profit or loss although the IFRS Accounting Taxonomy includes a ‘total element’ for that item;
- (e) avoiding the risk of entities not reflecting category information in the labels of extension line-item elements and the risk of translation issues arising from the creation of extension line-item elements labelled in non-English languages;
- (f) avoiding the risk of adding clutter to the IFRS Accounting Taxonomy (only five member elements would be added); and
- (g) avoiding the additional effort that would be required to maintain the IFRS Accounting Taxonomy (only five member elements would be added).

58 However, the IASB rejected this approach because of:

- (a) the risk of entities inconsistently tagging items of income or expenses that can be presented only in a single category in the statement of profit or loss—that is, entities might not use member elements to tag items of income or expenses that can be presented only in a single category in the statement of profit or loss. For example, an entity might tag ‘revenue’ using either only the line-item element or using both the line-item element and an ‘Operating category’ member. Inconsistent tagging of items would lead to users of digital financial statements being unable to compare entities’ data.

- (b) the risk of broken or incomplete calculations. The current XBRL calculation specification (Calculation 1.1) allows for calculations within the same dimension only. The specification does not allow for calculations involving more than one dimension or for both dimensional and non-dimensional concepts. Thus, for example, if some line-item elements are tagged using the ‘Operating category’ member, and other line-item elements are not tagged using a member, the ‘Operating category’ subtotal would be incomplete.
- (c) the IFRS Foundation’s general policy for modelling requirements related to the primary financial statements, which is to use a line-item modelling approach (Appendix C).

Question on presentation requirements for the statement of profit or loss

Question 2—Presentation requirements for the statement of profit or loss	
(a)	Do you agree with the IASB’s proposed approach of using line-item modelling for the presentation requirements for the statement of profit or loss, specifically: <ul style="list-style-type: none"> (i) for items of income or expenses and subtotals that could only be classified in the same category by all entities, to change the labels of those line-item elements to reflect category information; (ii) for items of income or expenses that could be classified in more than one category by a single entity or in different categories by different entities: <ul style="list-style-type: none"> i. to change the label of existing line-item elements to reflect the fact that they represent total amounts, possibly comprising items of income or expenses in different categories; ii. to add line-item elements reflecting category information for each category in which an entity is reasonably expected to present the line-item element; and (iii) for the defined subtotals ‘operating profit or loss’ and ‘profit or loss before financing and income taxes’ required by IFRS 18 and the subtotals listed in paragraph 118 of IFRS 18, to add line-item elements if no related line-item element exists in the IFRS Accounting Taxonomy? <p>If not, please specify what changes you suggest and why.</p>
(b)	Do you have any views on the use of category metadata as a mechanism to reflect category information (for example, in addition to the proposed line-item modelling approach for the presentation requirements for the statement of profit or loss or for other future improvements)? <p>If yes, please specify why you would recommend using category metadata or, alternatively, why you would advise against using it.</p>

Disclosure requirements for management-defined performance measures

59 This section discusses:

- (a) the disclosure requirements in IFRS 18 for management-defined performance measures (paragraphs 60–65);
- (b) the proposed modelling for the disclosure requirements for management-defined performance measures (paragraphs 67–77); and
- (c) the alternative modelling considered for the disclosure requirements for management-defined performance measures (paragraphs 78–80).

Requirements in IFRS 18

60 Paragraph 117 of IFRS 18 states that a management-defined performance measure is a subtotal of income and expenses that:

- (a) an entity uses in public communications outside financial statements;
- (b) an entity uses to communicate to users of financial statements management’s view of an aspect of the financial performance of the entity as a whole; and
- (c) is not listed in paragraph 118 of IFRS 18, or specifically required to be presented or disclosed by IFRS Accounting Standards.¹⁶

¹⁶ See paragraph 27 for the subtotals listed in paragraph 118 of IFRS 18.

61 An entity is required to disclose information about all measures that meet the definition of a management-defined performance measure in the single note. The information required to be disclosed for each management-defined performance measure is specified in paragraph 123 of IFRS 18.

123 An entity shall label and describe each management-defined performance measure in a clear and understandable manner that does not mislead users of financial statements (see paragraphs B134–B135). For each management-defined performance measure the entity shall disclose:

- (a) a description of the aspect of financial performance that, in management's view, is communicated by the management-defined performance measure. This description shall include explanations of why, in management's view, the management-defined performance measure provides useful information about the entity's financial performance.
- (b) how the management-defined performance measure is calculated.
- (c) a reconciliation between the management-defined performance measure and the most directly comparable subtotal listed in paragraph 118 or total or subtotal specifically required to be presented or disclosed by IFRS Accounting Standards (see paragraphs B136–B140).
- (d) the income tax effect (determined by applying paragraph B141) and the effect on non-controlling interests for each item disclosed in the reconciliation required by (c).
- (e) a description of how the entity applies paragraph B141 to determine the income tax effect required by (d).

62 An entity is also required to disclose, for each reconciling item in the reconciliation between a management-defined performance measure and a total or subtotal listed by IFRS Accounting Standards (referred to as an 'MPM reconciliation'), the amount(s) related to each line item in the statement(s) of financial performance (paragraph B137(a) of IFRS 18).

63 Figure 3 provides an illustration of how an entity could apply the requirements in paragraph 123(c)–(d) and B137(a) of IFRS 18.¹⁷ The illustration shows the reconciliation of operating profit to the MPM 'adjusted operating profit'. An entity is not required to give all information in table format (for example, the entity might choose to disclose information on the income tax effect and the effect on non-controlling interests elsewhere in the note).

Figure 3—Illustration of note on management-defined performance measures

	IFRS	Adjustments		MPM
		Impairment loss	Litigation expenses	
Research and development expenses		1,000	–	
General and administrative expenses		–	500	
Operating profit / Adjusted operating profit	10,000	1,000	500	11,500
Income tax expense		(150)	–	
Profit attributable to non-controlling interests		43	25	

64 Paragraphs 124–125 of IFRS 18 include further disclosure requirements if an entity changes how it calculates a management-defined performance measure, adds a new management-defined performance measure, ceases using a previously disclosed management-defined performance measure or changes how it determines the income tax effects of the reconciling items.

124 If an entity changes how it calculates a management-defined performance measure, adds a new management-defined performance measure, ceases using a previously disclosed management-defined performance measure or changes how it determines the income tax effects of the reconciling items required by paragraph 123(d), it shall disclose:

- (a) an explanation that enables users of financial statements to understand the change, addition or cessation and its effects.
- (b) the reasons for the change, addition or cessation.

¹⁷ The requirements in paragraphs 123(d) and B137(a) of IFRS 18 do not form part of the reconciliation required by paragraph 123(c) of IFRS 18. However, for simplicity, both the requirement described in paragraph 123(c) of IFRS 18 and the requirements described in paragraphs 123(d) and B137(a) of IFRS 18 are referred to as part of the 'MPM reconciliation' because it is expected that many entities will disclose such information together in a table format.

- (c) restated comparative information to reflect the change, addition or cessation unless it is impracticable to do so. An entity's selection of a management-defined performance measure is not an accounting policy choice. Nonetheless, in assessing whether restating the comparative information is impracticable, an entity shall apply the requirements in paragraphs 50–53 of IAS 8.

125 If an entity does not disclose the restated comparative information required by paragraph 124(c) because it is impracticable to do so, it shall disclose that fact.

65 Paragraph B134(b) of IFRS 18 includes further disclosure requirements relating to the accounting policy choices an entity has applied in calculating its management-defined performance measures.

B134 Paragraph 123 requires an entity to label and describe its management-defined performance measures in a clear and understandable manner that does not mislead users of financial statements. To provide such a description an entity shall disclose information that enables a user of financial statements to understand the items of income and expenses included and excluded from the subtotal. Therefore, an entity shall:

- (a) label and describe the measure in a way that faithfully represents its characteristics in accordance with paragraph 43 (see paragraph B135); and
- (b) provide information specific to management-defined performance measures – that is:
- (i) if the entity has calculated the measure other than by using the accounting policies it used for items in the statement(s) of financial performance, the entity shall state that fact and the calculations it has used for the measure; and
- (ii) if, in addition, the calculation of the measure differs from accounting policies required or permitted by IFRS Accounting Standards, the entity shall state that additional fact and, if necessary, an explanation of the meaning of terms it uses (see paragraph B135(b)).

66 The IASB proposes to add categorical elements for the categorical information required by paragraphs 125, B134(b)(i) and B134(b)(ii) of IFRS 18 (see paragraphs 11–19 on adding categorical elements and Appendix B for a list of proposed categorical elements and parent narrative elements).

Proposed modelling for the disclosure requirements for management-defined performance measures

Proposed modelling for the note on management-defined performance measures

67 Applying the IFRS Foundation's general policy for adding text block elements (Appendix C), the IASB proposes to add to the IFRS Accounting Taxonomy (Table 7):

- (a) a text block element to tag the entire note disclosure (which includes both qualitative and quantitative information about management-defined performance measures). For example, narrative information on how the management-defined performance measure has been calculated and the required MPM reconciliation.
- (b) a table text block element to tag the MPM reconciliation (if entities disclose the required information in a table).¹⁸

68 The proposed approach of adding a text block element and a table text block element allows users of digital financial statements to extract information about management-defined performance measures with varying degrees of detail (if jurisdictions require such information to be tagged).

69 Applying the IFRS Foundation's general policy for adding detailed narrative elements (Appendix C), the IASB decided not to propose adding such elements for discrete pieces of narrative information relating to management-defined performance measures. The IASB expects users of digital financial statements to analyse information about management-defined performance measures as a whole rather than separately search for and analyse discrete pieces of narrative information about management-defined performance measures.

Table 7—Proposed text block elements

Text block element

Element label	ET	ER	Reference
Disclosure of management-defined performance measures	TB	D	IFRS 18.122

Table text block element

¹⁸ The table text block element would be included in the text block element including both qualitative and quantitative information about management-defined performance measures.

Element label	ET	ER	Reference
Disclosure of reconciliation of management-defined performance measures	TB	D	IFRS 18.123(c)

Proposed modelling for the MPM reconciliation

- 70 The IASB considered two possible modelling approaches for the MPM reconciliation, specifically:
- (a) a dimensional modelling approach using two axes (paragraphs 71–77); and
 - (b) a dimensional modelling approach using three axes (paragraphs 78–80).
- 71 The IASB acknowledged that the two approaches have advantages and disadvantages but concluded that the advantages of a dimensional modelling approach using two axes outweigh the disadvantages. Therefore, the IASB proposes a dimensional modelling approach using two axes and line-item elements from the statement(s) of financial performance.
- 72 Specifically, the IASB proposes to add a dimensional table for the modelling of the MPM reconciliation with:
- (a) a ‘management-defined performance measures’ axis to tag the management-defined performance measures.
 - (b) a ‘reconciling items in reconciliation of management-defined performance measures’ axis to tag the reconciling items in the MPM reconciliation.
 - (c) line-item elements from the statement(s) of financial performance to disclose, for each reconciling item, the amount(s) related to each line item in the statement(s) of financial performance. (These line-item elements would be the same as the line-item elements used to tag items in the statement of financial performance; see Appendix C on the IFRS Foundation’s general policy for the use of line-item elements from the primary financial statements as line-item elements in dimensional modelling.)
 - (d) totals or subtotals to reconcile a management-defined performance measure to the most directly comparable subtotal listed in paragraph 118 of IFRS 18, or total or subtotal specifically required to be presented or disclosed by IFRS Accounting Standards. (These line-item elements would be the same as the line-item elements used to tag items in the statement of profit or loss.)
 - (e) the line-item element ‘Management-defined performance measure’ to tag the management-defined performance measure.
- 73 The IASB is not proposing to add specific members under the ‘management-defined performance measures’ axis or the ‘reconciling items in reconciliation of management-defined performance measures’ axis because the management-defined performance measures and the reconciling items are entity-specific. (That is, they are unlikely to be comparable with the measures or reconciling items of other entities that use similar labels or descriptions.) Entities would need to create extension member elements for their entity-specific management-defined performance measures and reconciling items.
- 74 Table D4 in Appendix D illustrates a tagged example disclosure of an MPM reconciliation.

Table 8—Proposed detailed elements for the MPM reconciliation

Line items

Element label	ET	ER	Reference
Total or subtotal listed in IFRS Accounting Standards [abstract]			
Operating profit (loss), operating	M	D	IFRS 18.69(a)
Profit (loss) before financing and income taxes	M	D	IFRS 18.69(b)
Profit (loss)	M	D	IFRS 18.69(c), IFRS 18.86(a), IFRS 18.107(c)(i)
... (other totals and subtotals listed in IFRS Accounting Standards)			
Line items from the statement of profit or loss [abstract]			
Revenue, operating	M	D	IFRS 18.75(a)(i)
Research and development expenses, operating	M	E	IFRS 18.81(a)

continued...

...continued

Element label	ET	ER	Reference
General and administrative expenses, operating	M	CP	IFRS 18.24
Impairment loss recognised in profit or loss, goodwill, operating	M	E	IFRS 18.1E7
Income taxes expense (income), income taxes	M	D	IFRS 18.75(a)(iv)
Profit (loss), attributable to non-controlling interests	M	D	IFRS 18.76(a)
... (entity might need to use other line items from the statement of profit or loss)			
Management-defined performance measure	M	D	IFRS 18.122, IFRS 18.123(c)

Axes and members

Element label	ER	Reference
Management-defined performance measures [A]	D	IFRS 18.122, IFRS 18.123(c)
Entity's total for management-defined performance measures [DM]	D	IFRS 18.122, IFRS 18.123(c)
... (entity creates members for MPMs)		
Reconciling items in reconciliation of management-defined performance measures [A]	D	IFRS 18.123(c)
Entity's total for reconciling items in reconciliation of management-defined performance measures [DM]	D	IFRS 18.123(c)
... (entity creates members for reconciling items)		

Advantages and disadvantages of the proposed modelling for the MPM reconciliation

- 75 The proposed modelling for the MPM reconciliation has advantages and disadvantages. On balance, the IASB's view is that the advantages of the proposed approach outweigh the disadvantages. The IASB proposes to provide guidance for preparers to mitigate the disadvantages (paragraphs 109–110).
- 76 The advantages of the proposed modelling are that:
- (a) it would provide a link between line-item elements presented in the statement of profit or loss and the MPM reconciliation because the same line-item elements are used. The modelling permits users of digital financial statements to query line-item elements and obtain additional information on those line-item elements. For example, a user who searches for the line-item element 'Revenue' would also obtain information on any management-defined performance measures that adjusts revenue.
 - (b) it would enable preparers to tag totals or subtotals listed in IFRS Accounting Standards with the extension member under the 'management-defined performance measures' axis, which would help users of digital financial statements understand how management-defined performance measures relate to totals or subtotals listed in IFRS Accounting Standards. (For example, a user might want to know which management-defined performance measure is reconciled to the subtotal 'operating profit or loss'.) An entity would tag the subtotal 'operating profit or loss' in the statement of profit or loss using only the line-item element 'Operating profit (loss)'. The entity would then tag that same subtotal in the MPM reconciliation using both the line-item element 'Operating profit (loss)' and an extension member under the 'management-defined performance measures' axis.
- 77 Disadvantages of the proposed modelling include:
- (a) the reuse of line-item elements from the statement(s) of financial performance in the MPM reconciliation. The purpose of the MPM reconciliation is to reconcile a management-defined performance measure to the most directly comparable subtotal listed in paragraph 118 of IFRS 18, or total or subtotal specifically required to be presented or disclosed by IFRS Accounting Standards. Information about the line item(s) in the statement(s) of financial performance to which a reconciling item relates is the secondary information in the MPM reconciliation. Therefore, tagging such information by using line-item elements from the

primary financial statements as line-item elements might be counterintuitive for preparers and users of digital financial statements because it could imply that this information is the main information required.

- (b) the risk of translation issues arising from the creation of extension member elements labelled in non-English languages.

Alternative modelling considered for the MPM reconciliation

78 The IASB also considered a dimensional modelling approach using three axes—that is, a dimensional table would have been added with:

- (a) a ‘management-defined performance measures’ axis;
- (b) a ‘reconciling items in reconciliation of management-defined performance measures’ axis; and
- (c) a ‘location in the statement(s) of financial performance’ axis.

79 Members under the ‘location in the statement(s) of financial performance’ axis would have been used to convey, for each reconciling item, the amount(s) related to each line item in the statement(s) of financial performance. For example, if an adjustment relates to the ‘revenue’ line item in the statement of profit or loss, an entity could have used the ‘Revenue [member]’ under the ‘location in the statement(s) of financial performance’ axis to communicate this relationship.

80 The IASB rejected this approach because:

- (a) using a ‘location in the statement(s) of financial performance’ axis would offer no structural link between member elements under the ‘location in the statement(s) of financial performance’ axis and line-item elements in the statement(s) of financial performance; and
- (b) using three axes might make it more difficult for preparers to tag the data and for users of digital financial statements to consume it (as opposed to the proposed modelling approach, which uses only two dimensions, for management-defined performance measures and reconciling items; see paragraphs 67–77).

Question on disclosure requirements for management-defined performance measures

Question 3—Disclosure requirements for management-defined performance measures	
Do you agree with the proposed modelling for management-defined performance measures, specifically:	
(a)	using dimensional modelling with two axes for the reconciliation between a management-defined performance measure and the most directly comparable subtotal listed in paragraph 118 of IFRS 18, or total or subtotal specifically required to be presented or disclosed by IFRS Accounting Standards; and
(b)	using line-item elements from the primary financial statements as line-item elements?
If not, please describe what alternative modelling you suggest and why.	

Disclosure requirements for specified expenses by nature

81 This section discusses:

- (a) the disclosure requirements in IFRS 18 for specified expenses by nature (paragraphs 82–84);
- (b) the proposed modelling for the disclosure requirements for specified expenses by nature (paragraphs 85–94); and
- (c) the alternative modelling considered for the disclosure requirements for specified expenses by nature (paragraphs 95–103).

Requirements in IFRS 18

82 Paragraph 83 of IFRS 18 requires an entity that presents one or more line items comprising expenses classified by function in the operating category of the statement of profit or loss to disclose, in a single note, for depreciation, amortisation, employee benefits, impairment losses (or reversals thereof) and write-down of inventories (or reversals thereof):

- (a) the total amount; and
- (b) the amount related to each line item in the operating category of the statement of profit or loss.

83 If, for a particular specified expense by nature, the amount related to line items in the operating category of the statement of profit or loss differs from the total amount (that is, the amount related to line items in the operating category does not fully explain the total amount of that particular specified expense by nature), an entity is required to disclose the line items outside the operating category in which that expense is included (that is, give a qualitative explanation of the line items involved).

83 An entity that presents one or more line items comprising expenses classified by function in the operating category of the statement of profit or loss shall also disclose in a single note:

- (a) the total for each of:
 - (i) depreciation, comprising the amounts required to be disclosed by paragraph 73(e)(vii) of IAS 16 *Property, Plant and Equipment*, paragraph 79(d)(iv) of IAS 40 *Investment Property* and paragraph 53(a) of IFRS 16 *Leases*;
 - (ii) amortisation, comprising the amount required to be disclosed by paragraph 118(e)(vi) of IAS 38 *Intangible Assets*;
 - (iii) employee benefits, comprising the amount for employee benefits recognised by an entity applying IAS 19 *Employee Benefits* and the amount for services received from employees recognised by an entity applying IFRS 2 *Share-based Payment*;
 - (iv) impairment losses and reversals of impairment losses, comprising the amounts required to be disclosed by paragraphs 126(a) and 126(b) of IAS 36 *Impairment of Assets*; and
 - (v) write-downs and reversals of write-downs of inventories, comprising the amounts required to be disclosed by paragraphs 36(e) and 36(f) of IAS 2; and
- (b) for each total listed in (a)(i)–(v):
 - (i) the amount related to each line item in the operating category (see paragraph B84); and
 - (ii) a list of any line items outside the operating category that also include amounts relating to the total.

84 The amounts disclosed need not be amounts recognised as an expense in the period. However, if an entity discloses amounts that are not amounts recognised as an expense in the period, it shall give a qualitative explanation of that fact and identify the assets involved.

B84 An entity will either present expenses by nature, or applying paragraph 83, disclose some expenses by nature. The amounts presented or disclosed need not be the amounts recognised as an expense in the period. They could include amounts that have been recognised as part of the carrying amount of an asset. If an entity:

- (a) presents amounts that are not the amounts recognised as an expense in the period, it will also present an additional line item for the change in the carrying amount of the affected assets. For example, applying paragraph 39 of IAS 2, an entity might present a line item for changes in inventories of finished goods and work in progress.
- (b) discloses, applying paragraph 83(b), amounts that are not the amounts recognised as an expense in the period, the entity shall give a qualitative explanation of that fact, identifying the assets involved.

Proposed modelling for the disclosure requirement for specified expenses by nature

Proposed modelling for the note on specified expenses by nature

85 Applying the IFRS Foundation's general policy for adding text block elements (Appendix C), the IASB proposes to add to the IFRS Accounting Taxonomy:

- (a) a text block element for the note on specified expenses by nature, which could be used to include both qualitative and quantitative information about specified expenses by nature; and
- (b) a table text block element for the requirement to disclose the specified amounts in paragraph 83 of IFRS 18, which could be used by entities if they provide the required information in a table.¹⁹

86 The proposed approach of adding a text block element and a table text block element would allow users of digital financial statements to extract information about specified expenses by nature with varying degrees of detail (if jurisdictions require such information to be tagged).

¹⁹ The table text block element would be included in the text block element including both qualitative and quantitative information about the specified expenses by nature.

Proposed modelling for the disclosure of amounts of specified expenses by nature related to line items in the operating category of the statement of profit or loss

- 87 The IASB considered three possible modelling approaches for the disclosure requirement for specified expenses by nature, specifically:
- (a) applying a dimensional modelling approach using one axis (paragraphs 88–94);
 - (b) amending the existing common practice table ‘Disclosure of attribution of expenses by nature to their function’ (paragraphs 96–99); and
 - (c) using line-item elements as members (paragraphs 100–103).
- 88 The IASB acknowledged that the three approaches have advantages and disadvantages but concluded that the advantages of a dimensional modelling approach using one axis outweigh the disadvantages. Therefore, the IASB proposes a dimensional modelling approach using one axis.
- 89 Specifically, the IASB proposes to add a dimensional table with an ‘attribution of specified expenses by nature’ axis to reflect the requirement to disclose, for each specified expense by nature, the amounts related to each line item in the operating category of the statement of profit or loss (paragraph 82). This axis would consist of member elements representing the specified expenses by nature listed in paragraph 83 of IFRS 18. Entities wishing to disclose information on expenses by nature other than those specified in paragraph 83 of IFRS 18 could create extension member elements under the ‘attribution of specified expenses by nature’ axis.
- 90 The table would include line-item elements from the operating category of the statement of profit or loss. (That is, the same line-item elements an entity might use to tag items of income or expenses presented in the statement of profit or loss; see Appendix C on applying the general policy.)
- 91 A tagged example is provided in Table E3 of Appendix E.

Table 9—Proposed detailed elements for modelling the requirement to disclose the amount of the specified expenses by nature included in each line item in the operating category of the statement of profit or loss

Table text block

Element label	ET	ER	Reference
Disclosure of specified expenses by nature	TB	D	IFRS 18.83

Line items

Element label	ET	ER	Reference
Cost of sales, operating	M	D	IFRS 18.82(a)
Research and development expenses, operating	M	D	IFRS 18.81(a)
General and administrative expenses, operating	M	CP	IFRS 18.24
Selling expenses, operating	M	E	IFRS 18.B85
Impairment loss recognised in profit or loss, goodwill, operating	M	E	IFRS 18.IE7
... (entity might need to use other line items from the statement of profit or loss)			

Axis and members

Element label	ER	Reference
Attribution of specified expenses by nature [A]	D	IFRS 18.83
Line items by nature [DM]	D	IFRS 18.83
Depreciation [M]	D	IFRS 18.83(a)(i)
Amortisation [M]	D	IFRS 18.83(a)(ii)
Employee benefits [M]	D	IFRS 18.83(a)(iii)
Impairment loss (reversal of impairment loss) [M]	D	IFRS 18.83(a)(iv)
Write-down (reversal of write-down) of inventories [M]	D	IFRS 18.83(a)(v)

Advantages and disadvantages of the proposed modelling for the disclosure of amounts of specified expenses by nature related to line items in the operating category of the statement of profit or loss

92 The proposed modelling approach has advantages and disadvantages. On balance, the IASB's view is that the advantages of the proposed modelling approach outweigh the disadvantages.

93 The advantages of the proposed approach are that:

- (a) users of digital financial statements would have a structural link between items disclosed in the note on specified expenses by nature and the line items presented in the statement of profit or loss. Users could query, for example, the line-item element 'Cost of sales, operating' and obtain the amount of cost of sales and the amounts of specified expenses by nature included in cost of sales, such as 'Depreciation [member]' and 'Employee benefits [member]'.
- (b) entities would not need to create extension line-item elements, because entities could reuse extension line-item elements they had created for entity-specific line items in the statement of profit or loss.
- (c) entities would not need to create extension member elements, because the list of specified expenses by nature included in paragraph 83 of IFRS 18 is an exhaustive list.

94 Disadvantages of the proposed approach include a lack of a structural link between the specified expenses by nature disclosed in the note on specified expenses by nature and information on specified expenses by nature disclosed elsewhere in the notes.

Alternative modelling considered for the disclosure of amounts of specified expenses by nature related to line items in the operating category of the statement of profit or loss

95 The IASB considered two other modelling approaches:

- (a) amending the existing common practice table 'Disclosure of attribution of expenses by nature to their function' (paragraphs 96–99); and
- (b) using line-item elements as members (paragraphs 100–103).

Amending the existing common practice table 'Disclosure of attribution of expenses by nature to their function'

96 Some entities already disclose additional information on expenses by nature in the notes. For this reason, the IFRS Accounting Taxonomy includes a dimensional modelling approach for the attribution of expenses by nature to their function. Specifically, it includes the common practice table 'Disclosure of attribution of expenses by nature to their function' (in the presentation group '[800200] Notes - Analysis of income and expenses'). That common practice table consists of:

- (a) the line-item elements 'depreciation expense' and 'amortisation expense', representing expenses by nature; and
- (b) an axis with the member elements 'Cost of sales [member]' and 'Selling, general and administrative expense [member]', representing line items by function in the statement of profit or loss.

97 This common practice table could be expanded to include more line-item elements (representing the specified expenses by nature listed in paragraph 83 of IFRS 18) and more member elements representing line items in the operating category of the statement of profit or loss.

98 The IASB's view is that the current common practice table has some disadvantages. Specifically, the common practice table:

- (a) lacks structural links between member elements (in the notes) and line-item elements (in the statement of profit or loss). Although the names and labels of member elements would be aligned with the names and labels of line-item elements (for example, 'cost of sales' presented in the statement of profit or loss and 'cost of sales' disclosed in the note on specified expenses by nature), there would not be a structural link between the two elements. The lack of a structural link makes it difficult for users of digital financial statements to understand the relationship between the member elements and the line-item elements.
- (b) makes it necessary for entities to create extension member elements for entity-specific line items for which no member element exists in the IFRS Accounting Taxonomy. An entity that creates such entity-specific member elements risks inconsistently labelling extension member elements and corresponding extension line-item elements. This inconsistency makes it difficult for users of digital financial statements to create links between the respective elements and reduces the usefulness of the data.

99 The IASB rejected amending the existing common practice table because of the disadvantages of such an approach (specifically, the proposed modelling approach would mitigate these disadvantages). Therefore, the IASB proposes to deprecate the existing common practice table ‘Disclosure of attribution of expenses by nature to their function [table]’ and related elements.

Using line-item elements as members

100 The IASB considered and rejected modelling the disclosure requirement for specified expenses by nature using line-item elements as members. If this approach had been used, entities could have used the line-item elements in the statement of profit or loss as members. For example, the amount of depreciation included in cost of sales would be tagged with the ‘Depreciation’ line-item element and the ‘Cost of sales, operating’ line-item element under an axis (instead of a ‘Cost of sales [member]’).

101 Using line-item elements as members would have the same advantages as the proposed approach (paragraph 93). A further advantage of using line-item elements as members would be that entities wishing to disclose information on expenses by nature other than those specified in paragraph 83 of IFRS 18 could use line-items from the primary financial statements as member elements (thus, maintaining a structural link). Although the proposed approach would mean that entities could create extension member elements under the ‘attribution of specified expenses by nature’ axis for expenses by nature other than those specified, there would be no structural link (paragraphs 89 and 94).

102 Using line-item elements as members would also have had disadvantages, specifically that:

- (a) the existing limitation on the XBRL specification does not allow the same elements to be defined as both a line-item element (a row) and a member element (a column) in the same table. However, it is unlikely that this limitation would have created problems for the disclosure of specified expenses by nature because cases in which an entity would disclose, in the same table, the same element both as a line-item element and as a member element are expected to be infrequent.²⁰
- (b) the pervasive change in how line-item elements and dimensions are currently modelled could have unintended consequences. Some members have the same names as line-item elements in the IFRS Accounting Taxonomy. For example, the ‘Property, plant and equipment [member]’ under the axis for ‘Classes of property, plant and equipment [axis]’ has the same name as the ‘Property, plant and equipment’ line-item element.
- (c) the tagging software might not support the use of line-item elements as members and would need to be updated to process this new approach.
- (d) the approach could lead to modelling inconsistencies between jurisdictions because some jurisdictions do not currently use line-item elements as members.
- (e) the approach would require preparers and users of digital financial statements to invest additional time and effort to understand and adjust to the change.

103 The IASB rejected using line-item elements as member elements. The advantages of achieving a complete linkage with line-items from the primary financial statements and reducing the use of extension elements do not outweigh the disadvantages of the pervasive change to the IFRS Accounting Taxonomy and the risk of inconsistent modelling between other jurisdictions.

²⁰ An example of such a case would be an entity that presents a line item labelled ‘impairment loss’ in the statement of profit or loss. The entity would also disclose in the note on specified expenses by nature that impairment loss is included in the line item ‘impairment loss’ in the statement of profit or loss. (Impairment loss is a specified expense by nature.)

Question on disclosure requirements for specified expenses by nature

Question 4—Disclosure requirements for specified expenses by nature	
(a)	Do you agree with the proposed modelling for specified expenses by nature, specifically: <ul style="list-style-type: none"> (i) using dimensional modelling using one axis with specific member elements representing the specified expenses by nature; and (ii) using line-item elements from the primary financial statements as line-item elements? If not, please describe what alternative modelling you suggest and why.
(b)	Do you agree with the IASB’s proposal to deprecate the existing common practice table ‘Disclosure of attribution of expenses by nature to their function’ and related elements? If not, please specify why.

Implementation guidance for preparers

- 104 This section discusses implementation guidance to help ensure consistent application of the modelling of:
- (a) the presentation requirements for the statement of profit or loss (paragraphs 105–108); and
 - (b) the disclosure requirements for management-defined performance measures and specified expenses by nature (paragraphs 109–110).
- 105 The IASB proposes to provide implementation guidance in:
- (a) guidance labels in the IFRS Accounting Taxonomy files (where appropriate);
 - (b) the taxonomy update document; and
 - (c) the document *Using the IFRS Taxonomy – A preparer’s guide* (once updated).

Implementation guidance for the modelling of the presentation requirements for the statement of profit or loss

- 106 These documents would provide guidance on:
- (a) how to navigate through the different presentation groups in the IFRS Accounting Taxonomy to find line-item elements; and
 - (b) how to include category information in the name and label(s) of an extension element.
- 107 Providing guidance on creating extension elements is necessary because conveying category information about a tagged line-item element provides useful information to users of digital financial statements. IFRS 18 does not require an entity to present category information in the statement of profit or loss. (That context is already provided through the totals and subtotals in paper-based financial statements; see Figure 1 in paragraph 28 for an illustration of a statement of profit or loss.) Without guidance, an entity might create an extension line-item element that does not convey category information. For example, an entity might decide to use the same label for the extension line-item element as it uses in its paper-based financial statements, in which category information about an item is conveyed implicitly by its location in the statement of profit or loss (rather than explicitly stated).
- 108 The IASB also proposes to add guidance labels to the line-item elements whose labels have been changed to ‘total’ (paragraph 38). The guidance would explain that preparers should only use such line-item elements to tag information in the notes. If a preparer were to use line-item elements whose labels have been changed to ‘total’ to tag line items in the statement of profit or loss users would not be able to understand the category in which those items are presented. Figure 4 illustrates the proposed guidance label for line-item elements labelled ‘total’.

Figure 4—Proposed guidance label for line-item elements labelled ‘total’

Do not use this element for the statement of profit or loss. This element is only used to tag information in the notes. If no element reflecting category information for the statement of profit or loss is included in the IFRS Accounting Taxonomy an extension element needs to be created. The label of that extension element should reflect category information.

Implementation guidance for the modelling of the disclosure requirements for management-defined performance measures and specified expenses by nature

- 109 The IASB's view is that some of the disadvantages of the proposed modelling for management-defined performance measures described in paragraph 77 could be mitigated by providing guidance for preparers. For example, by providing guidance for preparers on:
- (a) using plus and minus signs for reconciling items in the MPM reconciliation—to help preparers use these signs consistently. In paper-based financial statements, signs will depend on the direction of the MPM reconciliation ('IFRS to MPM' or 'MPM to IFRS'). In digital financial statements each number is tagged distinctly, and having consistent signs for each reconciling adjustment will be helpful for users. Therefore, the IASB proposes to provide implementation guidance regarding the tagging of the MPM reconciliation. For example, a reconciling item which decreases a line item in the statement of profit or loss should be tagged with a minus sign and conversely, a reconciling item which increases a line item in the statement of profit or loss should be tagged with a plus sign. The implementation guidance would clarify that a:
 - (i) reconciling item decreasing an expense (a debit line item) in the statement of profit or loss will be tagged with a minus sign because it increases the value of the MPM;
 - (ii) reconciling item increasing an expense (a debit line item) in the statement of profit or loss will be tagged with a plus sign because it decreases the value of the MPM;
 - (iii) reconciling item decreasing an income (a credit line item) in the statement of profit or loss will be tagged with a minus sign because it decreases the value of the MPM; and
 - (iv) reconciling item increasing an income (a credit line item) in the statement of profit or loss will be tagged with a plus sign because it increases the value of the MPM;
 - (b) double-tagging 'common reconciling items'—to help preparers correctly double-tag reconciling items that relate to more than one management-defined performance measure (for example, if a preparer disclosed, in a single table, two reconciliations for two management-defined performance measures, they would need to double-tag the common reconciling items in those reconciliations; see Table D4 in Appendix D for an illustration);
 - (c) using line-item elements from the primary financial statements as line-item elements in dimensional modelling—to mitigate the risk of preparers creating extension elements rather than using line-item elements from the primary financial statements as line-item elements; and
 - (d) labelling extension elements—to help preparers label extension member elements in a clear and understandable manner that does not mislead users of digital financial statements.
- 110 The IASB would provide guidance regarding the reuse of line-item elements from the primary financial statements as line-item elements in the notes. That is, if an entity has used an element from the IFRS Accounting Taxonomy or created an extension element to tag a line item in the statement of profit or loss, it would reuse that element to tag related information in the note on management-defined performance measures and the note on specified expenses by nature. This guidance would reduce the risk of preparers unnecessarily creating more extension elements than needed.

Question on implementation guidance for preparers

Question 5—Implementation guidance for preparers

Do you agree with the proposed implementation guidance for preparers?

If not, please describe what alternative implementation guidance you suggest and why.

Further proposed changes to the IFRS Accounting Taxonomy

- 111 This section discusses:
- (a) the presentation group for the statement presenting comprehensive income, profit or loss (paragraphs 112–117);
 - (b) the relationship between elements in the notes and elements in the primary financial statements (paragraphs 118–122);
 - (c) the proposals relating to consequential amendments to other IFRS Accounting Standards (paragraphs 123–133);

- (d) the effective date and transition (paragraphs 134–142); and
- (e) the replacement of ‘IFRS’ with ‘IFRS Accounting Standard’ (paragraphs 143–146).

Presentation group for the statement presenting comprehensive income, profit or loss

Requirements in IFRS 18

- 112 Paragraph 78 of IFRS 18 requires an entity to present expenses in the operating category of the statement of profit or loss in a way that provides the most useful structured summary of the expenses using one or both of the characteristics of the nature of expenses or their function within the entity. Paragraph B79 of IFRS 18 sets out factors an entity would consider in concluding whether to present expenses classified in the operating category ‘by nature’ or ‘by function’. Sometimes an entity might conclude that presenting some expenses by nature and other expenses by function in the statement of profit or loss provides the most useful structured summary (paragraph B80 of IFRS 18).

Proposed single presentation group for the statement presenting comprehensive income, profit or loss

- 113 The IFRS Accounting Taxonomy includes two presentation groups for the statement presenting comprehensive income, profit or loss, corresponding to the two different presentation methods for expenses in IAS 1:
- (a) ‘[310000] Statement of comprehensive income, profit or loss, by function of expense’; and
 - (b) ‘[320000] Statement of comprehensive income, profit or loss, by nature of expense’.
- 114 The IASB’s view is that retaining these two distinct presentation groups for the statement presenting comprehensive income, profit or loss would not appropriately reflect the presentation requirements in IFRS 18. Those requirements could lead to operating expenses being presented by nature and by function in the statement of profit or loss. Therefore, the IASB proposes:
- (a) to deprecate the presentation groups ‘[310000] Statement of comprehensive income, profit or loss, by function of expense’ and ‘[320000] Statement of comprehensive income, profit or loss, by nature of expense’; and
 - (b) to add a single presentation group for the statement presenting comprehensive income, profit or loss.
- 115 Applying the IFRS Foundation’s general policy for the attribution of elements to presentation groups, the IASB proposes that the single presentation group only include totals, subtotals and items of income and expenses that the IASB reasonably expects entities to present in the statement of profit or loss (Appendix C). Therefore, the IASB proposes to base the single presentation group on these line-item elements:
- (a) disclosure reference type line-item elements in the presentation groups ‘[310000] Statement of comprehensive income, profit or loss, by function of expense’ or ‘[320000] Statement of comprehensive income, profit or loss, by nature of expense’. These line-item elements are deemed ‘reasonably expected to be presented’.
 - (b) example or common practice reference type line-item elements in ‘[310000] Statement of comprehensive income, profit or loss, by function of expense’ or ‘[320000] Statement of comprehensive income, profit or loss, by nature of expense’ that the IASB reasonably expects entities to present.
 - (c) line-item elements from presentation groups other than ‘[310000] Statement of comprehensive income, profit or loss, by function of expense’ or ‘[320000] Statement of comprehensive income, profit or loss, by nature of expense’, regardless of their reference type that the IASB reasonably expects entities to present.
 - (d) line-item elements added to the IFRS Accounting Taxonomy because of the requirements in IFRS 18 or the Illustrative Examples accompanying IFRS 18—for example, the required subtotals ‘operating profit or loss’ and ‘profit or loss before financing and income taxes’.
- 116 To help preparers navigate the proposed single presentation group, the IASB proposes to create various separate abstracts within that group. Specifically, the IASB proposes to create:
- (a) two top-level abstracts distinguishing between totals, subtotals and items of income or expenses that the IASB expects to be commonly presented by many entities, and additional subtotals and related line-item elements:

- (i) 'Profit (loss) [abstract]'.²¹
- (ii) 'Additional subtotals and related line-item elements [abstract]'.
- (b) five further abstracts for the five categories in the statement of profit or loss within the abstract 'Profit (loss) [abstract]':
 - (i) 'Operating category [abstract]'.
 - (ii) 'Investing category [abstract]'.
 - (iii) 'Financing category [abstract]'.
 - (iv) 'Income taxes category [abstract]'.
 - (v) 'Discontinued operations category [abstract]'.
- (c) further abstracts within the abstract 'Additional subtotals and related line-item elements [abstract]' for additional subtotals and related line-item elements.

117 Appendix F includes an illustration of the proposed single presentation group for the statement presenting comprehensive income, profit or loss—which includes line-item elements for totals, subtotals and items of income and expenses.

Relationship between elements in the notes and elements in the primary financial statements

118 If amounts an entity discloses in the notes relate to one or more line items in a primary financial statement, paragraph 114 of IFRS 18 requires the entity to disclose the line item(s) in the primary financial statements in which the amounts are included.

119 The IASB has an established taxonomy practice for modelling similar disclosure requirements as text block elements. Therefore, the IASB proposes to add one text block element for this disclosure requirement.

Table 10—Proposed text block element addition

Text block

Element label	ET	ER	Reference
Disclosure of line items in primary financial statements in which disclosed amounts are included	TB	D	IFRS 18.114

120 The IASB acknowledges that entities are likely to disclose the information required by paragraph 114 of IFRS 18 in several different places in the notes. Having only one text block element for this disclosure requirement would require preparers to tag information that is scattered throughout the notes with one element, using the XBRL 'continuation' mechanism to aggregate the text fragments.

121 The IASB encourages preparers to use a 'fact-explanatoryFact' footnoteArc mechanism to connect each such disclosed fact in the notes with the fact in the primary financial statements in which that amount is included.²² Because this mechanism is already present in the XBRL specifications, the IASB's view is that software vendors and regulators could implement a capability or requirement to make it easier for preparers to use this mechanism with little additional effort.

122 Appendix G includes an illustrated example of how the 'fact-explanatoryFact' footnoteArc mechanism is used.

Proposals relating to consequential amendments to other IFRS Accounting Standards

123 The IASB proposes to change the IFRS Accounting Taxonomy to reflect the consequential amendments to other IFRS Accounting Standards. Specifically, the IASB proposes:

- (a) to reflect amendments to IAS 7 by:

²¹ For example, the 'Profit (loss) [abstract]' includes the totals and subtotals included in the presentation groups '[310000] Statement of comprehensive income, profit or loss, by function of expense' and '[320000] Statement of comprehensive income, profit or loss, by nature of expense'. This abstract also includes the newly required subtotals defined by IFRS 18, 'operating profit or loss' and 'profit or loss before financing and income taxes'.

²² A 'fact-explanatoryFact' footnoteArc is one with an arcrole of '<http://www.xbrl.org/lrr/arcrole/factExplanatory-2009-12-16.xsd#fact-explanatoryFact>'.

- (i) changing the line-item element for the starting point of the statement of cash flows from 'Profit (loss)' to 'Operating profit (loss)' and, therefore, deprecating adjustment line-item elements that relate to 'profit or loss' but not to 'operating profit or loss';
 - (ii) deprecating the line-item elements 'Dividends paid, classified as operating activities' and 'Interest paid, classified as investing activities'; and
 - (iii) deprecating existing line-item elements and adding new line-item elements for cash receipts and payments for interests in associates and joint ventures;
- (b) to change the label of one line-item element to reflect amendments to IAS 12; and
- (c) to change the label of one line-item element and change the title of one presentation group to reflect the amended title of IAS 8.

Amendments to IAS 7

- 124 The IASB has amended paragraph 18(b) of IAS 7 to change the starting point of the statement of cash flows prepared using the indirect method from 'profit or loss' to 'operating profit or loss'. The IASB proposes to reflect this amendment by changing the starting point in the presentation group '[520000] Statement of cash flows, indirect method'.
- 125 The presentation groups '[520000] Statement of cash flows, indirect method' and '[800300] Notes - Statement of cash flows, additional disclosures' also include adjustment line-item elements for:
- (a) the effects of transactions of a non-cash nature;
 - (b) any deferrals or accruals of past or future operating cash receipts or payments; and
 - (c) items of income or expenses associated with investing or financing cash flows.
- 126 Because of the change to the starting point of the statement of cash flows, the IASB proposes to deprecate adjustment line-item elements that relate to 'profit or loss' but not to 'operating profit or loss' (because those adjustment line-item elements are no longer needed). Table 11 provides examples of such adjustment line-item elements.

Table 11—Example of adjustment line-item elements proposed to be deprecated

Element label	Documentation Label
Adjustments for income tax expense	Adjustments for income tax expense to reconcile profit (loss) to net cash flow from (used in) operating activities. [Refer: Profit (loss)]

- 127 The IASB has added paragraph 33A to IAS 7, which requires an entity to classify dividends paid as cash flows from financing activities. Therefore, the IASB proposes to deprecate the line-item element 'Dividends paid, classified as operating activities'.
- 128 The IASB has amended paragraphs 16(c)–(d) of IAS 7:
- 16 The separate presentation disclosure of cash flows arising from investing activities is important because the cash flows represent the extent to which expenditures have been made for resources intended to generate future income and cash flows. Only expenditures that result in a recognised asset in the statement of financial position are eligible for classification as investing activities. Examples of cash flows arising from investing activities are:
- ...
- (c) cash payments to acquire equity or debt instruments of other entities including and interests in associates and joint ventures (other than payments for those instruments considered to be cash equivalents or those held for dealing or trading purposes);
 - (d) cash receipts from sales of equity or debt instruments of other entities including and interests in associates and joint ventures (other than receipts for those instruments considered to be cash equivalents and those held for dealing or trading purposes);
- 129 Therefore, the IASB proposes to add two line-item elements and change the reference type of two line-item elements.

Table 12—Proposed addition of line-item elements and reference type change

Element label	Documentation label	ER
Other cash receipts from sales of interests in joint ventures, classified as investing activities	The cash inflow from sales of interests in joint ventures (other than receipts for those instruments considered to be cash equivalents and those held for dealing or trading purposes), classified as investing activities. [Refer: Joint ventures [member]]	Example
Other cash payments to acquire interests in joint ventures, classified as investing activities	The cash outflow to acquire interests in joint ventures (other than payments for those instruments considered to be cash equivalents or those held for dealing or trading purposes), classified as investing activities. [Refer: Joint ventures [member]]	Example
Purchase of interests in associates	The cash outflow for the purchase of interests in associates. [Refer: Associates [member]]	Common practice Example
Proceeds from sales of interests in associates	The cash inflow from sales of interests in associates. [Refer: Associates [member]]	Common practice Example
Other cash payments to acquire interests in associates and joint ventures	Cash outflow to acquire interests in associates and joint ventures (other than payments for those instruments considered to be cash equivalents or those held for dealing or trading purposes), classified as investing activities. [Refer: Joint ventures [member]]	Example
Other cash receipts from sales of interests in associates and joint ventures	Cash inflow from sales of interests in associates and joint ventures (other than receipts for those instruments considered to be cash equivalents and those held for dealing or trading purposes), classified as investing activities. [Refer: Joint ventures [member]]	Example

Amendments to IAS 12

130

The IASB has amended paragraph 81(h)(ii) of IAS 12:

81 The following shall also be disclosed separately:

...

(h) in respect of discontinued operations, the tax expense relating to:

(i) the gain or loss on discontinuance; and

(ii) the profit or loss ~~of from the ordinary activities of the discontinued operation~~ for the period, together with the corresponding amounts for each prior period presented;

...

131

Because the amendment is a minor textual adjustment that does not substantially change the meaning of the requirement, the IASB proposes to change the label of the line-item element (see also paragraph 2 on the IASB's proposed general approach to existing elements with a reference to IAS 1).

Table 13—Proposed changes to label

Element label	Documentation label	ET	ER	Reference
Tax expense (income) relating to profit (loss) from ordinary activities of discontinued operations, discontinued operations	Tax expense (income) relating to the profit (loss) arising from ordinary activities of discontinued operations, in the discontinued operations category in the statement of profit or loss. [Refer: Discontinued operations [member]; Profit (loss)]	M	D	IAS 12.81(h)(ii), IFRS 5.33(b)(ii)

Amendment to title of IAS 8

132 The IASB has amended the title of IAS 8 from ‘Accounting Policies, Changes in Accounting Estimates and Errors’ to ‘Basis of Preparation of Financial Statements’.

133 The IASB proposes to change the title of the presentation group ‘[811000] Notes - Accounting policies, changes in accounting estimates and errors’ to reflect the changes to the title of IAS 8 and to change the labels of one line-item element. Because the presentation group will also include elements related to the statement of IFRS compliance (which will move from [810000] to [811000]), the IASB proposes to reflect that fact in the title of the presentation group (see Appendix C for the IFRS Foundation’s general policy for the attribution of elements to presentation groups).

Table 14—Proposed change to title of presentation group [811000]**[811000] Notes - Basis of Preparation of Financial Statements and statement of IFRS compliance Accounting policies, changes in accounting estimates and errors**

Element label	Documentation label	ET	ER	Reference
Disclosure of <u>basis of preparation of financial statements changes in accounting policies, accounting estimates and errors</u> —[text block]	<u>The entire disclosure for changes in accounting policies, accounting estimates and errors. All disclosures for the basis of preparation of financial statements.</u>	TB	D	IAS 8. Accounting policies

Effective date and transition**Creation of two taxonomy entry points**

134 IFRS 18 applies for annual reporting periods beginning on or after 1 January 2027, with early application permitted. Entities that apply IFRS 18 early will need to tag their digital financial statements using an IFRS Accounting Taxonomy that includes elements that reflect the presentation and disclosure requirements in IFRS 18. However, entities that do not apply IFRS 18 early will need to tag their digital financial statements using an IFRS Accounting Taxonomy that includes elements that reflect the presentation and disclosure requirements in IAS 1. Therefore, it will be necessary for the IFRS Accounting Taxonomy to include both ‘types’ of elements during the period of transition to IFRS 18.

135 The IASB considered two options, specifically:

- (a) retaining all elements in a single taxonomy entry point; or
- (b) creating two taxonomy entry points (that is, ‘IFRS full taxonomy with elements reflecting IAS 1 presentation and disclosure requirements’ and ‘IFRS full taxonomy with elements reflecting IFRS 18 presentation and disclosure requirements’).

136 Creating two taxonomy entry points would be a change to the IFRS Foundation’s usual approach to transition to an Accounting Standard that allows early application, where old and new elements are accessible via a single entry point within the IFRS Accounting Taxonomy. Under such an approach:

- (a) proposed new elements and proposed new documentation labels in the IFRS Accounting Taxonomy files have an effective date of the new Accounting Standard; and
- (b) elements proposed for deprecation and existing documentation labels in the IFRS Accounting Taxonomy files for which a change is proposed have an expiry date.

137 However, the IASB’s view is that retaining all elements in a single taxonomy entry point might make it difficult for preparers to navigate because of the scope of the proposed changes to element labels and references, and the scope of the proposed elements that would be added. Therefore, the IASB proposes that, when the annual compilation of the taxonomy including elements arising from IFRS 18 is conducted, two taxonomy entry points are created. The taxonomy entry points would be removed after the period of transition to IFRS 18.

Disclosure requirements relating to the effective date and transition

138 If an entity applies IFRS 18 for a period earlier than its effective date of 1 January 2027, the entity shall disclose that fact in the notes (paragraph C1 of IFRS 18).

139 The IASB has an established taxonomy practice for modelling the disclosure of the fact of early application of new IFRS Accounting Standards and amendments. This modelling allows an entity to combine the line item ‘Description of fact that new or amended IFRS Standard is applied early’ and the related member element in the axis ‘Initially applied IFRSs’ to tag the disclosure of the fact of early application of a new Accounting Standard or amendment.

140 The IASB proposes to add a reference to paragraph C1 of IFRS 18 to the line item ‘Description of fact that new or amended IFRS Standard is applied early’. The IASB also proposes to add a member element to the ‘Initially applied IFRSs’ axis in the table ‘Disclosure of initial application of standards or interpretations’ in the presentation group ‘[811000] Notes - Accounting policies, changes in accounting estimates and errors’. (As described in paragraph 133, the proposed new title of this presentation group is ‘Basis of Preparation of Financial Statements and statement of IFRS compliance’.²³)

Table 15—Proposed reference change and proposed addition of member element

Element label	ET	ER	Reference
Description of fact that new or amended IFRS Standard is applied early	T	D	<u>IFRS 18.C1</u>
<i>Axis and members</i>			
Element label		ER	Reference
Initially applied IFRSs [A]		D	IAS 8.28
Initially applied IFRSs [DM]		D	IAS 8.28
...			
Presentation and Disclosure in Financial Statements [M]		D	IFRS 18.C1

141 Paragraph C3 of IFRS 18 requires an entity to disclose, for the comparative period immediately preceding the period in which IFRS 18 is first applied, for each line item in the statement of profit or loss, a reconciliation between:

- (a) the restated amounts the entity presented in applying IFRS 18; and
- (b) the amounts the entity previously presented in applying IAS 1.

142 Applying the IFRS Foundation’s general policy for adding text block elements (Appendix C), the IASB proposes to add a single text block element for the reconciliation required by paragraph C3 of IFRS 18 because the disclosure:

- (a) is temporary, and detailed elements would be of no use after IFRS 18 is applied for the first time;
- (b) is expected to be provided in a variety of ways, making it difficult to provide detailed elements to represent all the approaches; and
- (c) is not expected to be analysed line-by-line or compared entity-to-entity by users. Rather, it is expected to be used as a whole note, specific to each entity.

Table 16—Proposed text block element

Element label	ET	ER	Reference
Disclosure of reconciliation between restated amounts presented applying IFRS 18 and amounts previously presented applying IAS 1	TB	D	IFRS 18.C3

The replacement of ‘IFRS’ with ‘IFRS Accounting Standard’

143 After the formation of the International Sustainability Standards Board (ISSB), IFRS Standards were defined in the IFRS Foundation *Constitution* as consisting of IFRS Accounting Standards and IFRS Sustainability Disclosure Standards. IFRS Accounting Standards are issued by the IASB. They comprise:

- (a) IFRS Accounting Standards;
- (b) International Accounting Standards;
- (c) IFRIC Interpretations; and

²³ A categorical element indicating whether an entity has adopted a new or amended Accounting Standard early has been added to the IFRS Accounting Taxonomy 2024.

(d) SIC Interpretations.

144 The definition of IFRS Accounting Standards will be included in Appendix A of IFRS 18 and in IAS 8. The definition will be included in both Accounting Standards because the requirements relating to the basis of preparation have been moved from IAS 1 to IAS 8.

145 The IASB has changed the existing term 'IFRS' to 'IFRS Accounting Standard' in IFRS 18 and some other Accounting Standards. This change was made because the definition of 'IFRS Standards' now includes both IFRS Accounting Standards and IFRS Sustainability Disclosure Standards.

146 The IASB proposes to change the term 'IFRS' or 'IFRS Standard' to 'IFRS Accounting Standard' in all places in the IFRS Accounting Taxonomy that refer to Accounting Standards. Therefore, the IASB proposes:

- (a) to change the term 'IFRS' or 'IFRS Standard' to 'IFRS Accounting Standard' in all documentation labels but keep the term 'IFRS' in the element labels. Keeping the term would have the benefit of maintaining shorter element labels in the IFRS Accounting Taxonomy. More details would be given in the documentation labels.
- (b) to retain the labels unchanged if the term 'IFRS' is used with a number—that is, the IASB is not proposing to change the label of an element if the label includes a reference to a Standard because those Standards are still referred to in that way (for example, 'IFRS 7').

Table 17—Example of proposed changes to documentation labels

Element label	Documentation Label
Other comprehensive income	The amount of income and expense (including reclassification adjustments) that is not recognised in profit or loss as required or permitted by <u>IFRS Accounting Standards</u> IFRSs. [Refer: IFRSs [member]]
Initially applied IFRSs [member]	This member stands for <u>IFRS Accounting Standards</u> IFRSs that have been initially applied by the entity. It also represents the standard value for the 'Initially applied IFRSs' axis if no other member is used. [Refer: IFRSs [member]]

Question on further proposed changes to the IFRS Accounting Taxonomy

Question 6—Presentation group for the statement presenting comprehensive income, profit or loss
Do you agree with the IASB's proposal:
(a) to deprecate the existing presentation groups '[310000] Statement of comprehensive income, profit or loss, by function of expense' and '[320000] Statement of comprehensive income, profit or loss, by nature of expense'; and
(b) to add a single presentation group for the statement presenting comprehensive income, profit or loss?
If not, please specify why.

Question 7—Other proposed changes to the IFRS Accounting Taxonomy
Do you agree with the IASB's other proposed changes to the IFRS Accounting Taxonomy, including the proposed approach to organising the IFRS Accounting Taxonomy during the period of transition to IFRS 18?
If not, please specify why.

Approval by the IASB of IFRS® Accounting Taxonomy 2024—Proposed Update 1 IFRS 18 Presentation and Disclosure in Financial Statements published in May 2024

IFRS® Accounting Taxonomy 2024 – Proposed Update 1 IFRS 18 Presentation and Disclosure in Financial Statements was approved for issue by 13 of 14 members of the International Accounting Standards Board. Mr Gast dissented. His dissenting opinion is set out on page 43.

Andreas Barckow

Chair

Linda Mezon-Hutter

Vice-Chair

Nick Anderson

Patrina Buchanan

Tadeu Cendon

Florian Esterer

Zach Gast

Hagit Keren

Jianqiao Lu

Bruce Mackenzie

Bertrand Perrin

Rika Suzuki

Ann Tarca

Robert Uhl

Dissenting opinion

Dissent of Zach Gast from IFRS[®] Accounting Taxonomy 2024—Proposed Update 1 IFRS 18 Presentation and Disclosure in Financial Statements

- DO1 Mr. Gast dissented from the publication of IFRS[®] Accounting Taxonomy 2024—Proposed Update 1 IFRS 18 Presentation and Disclosure in Financial Statements.
- DO2 Mr. Gast does not disagree with the majority of the proposals in the PTU but believes that the line-item modelling solution to reflect categories of items in the statement of profit and loss will not be effective at communicating financial statement information.
- DO3 In Mr. Gast's view, the line-item modelling approach represents current state of practice, which provides a practicality and lower cost of adjustment option for portraying information that comes across visually in the print version of the financial statements. However, that approach suffers from two significant drawbacks in his view.
- DO4 First, he has significant concerns about the effect that the continued use of the line item modelling approach will have on the usability of the data for users. Users of financial statements have many different approaches to data usage, but perhaps the most common use case is to model future cash flows and valuation through the primary financial statement data, with support from items contained in the footnotes.
- DO5 The next significant constraint, in his view, is its application in a multi-lingual context as the category name (operating, investing, financing, etc.) would simply be appended to the end of the current data concept. This means that an entity in Latin America will either need to choose between appending the English language category or their local language equivalent, which could lead to significant diversity in practice.
- DO6 In Mr. Gast's view, the line-item modelling approach makes it more difficult for users of financial statement data to replace the printed version of the primary financial statements because they cannot know – a priori – what line items will appear in a particular company's statement of profit or loss, for example. While technologies such as the presentation linkbase do exist to resolve this issue, that is a relatively sophisticated solution for an individual user – even if they operate within a sophisticated asset manager.
- DO7 Metadata, in his view, is a superior alternative to line-item modelling. In addition to the advantages portrayed in paragraph 50 of this PTU, he believes that it would greatly facilitate the most common use case for users of financial statement data – to reverse engineer what appears on the face of the financial statements without prior knowledge of the specific line items.
- DO8 Mr. Gast acknowledges that the initial cost of allowing for metadata usage to categorise primary financial statement line items will be higher – as systems change to permit this usage – but believes that the anticipated benefits – which would include lower ongoing costs for preparers – will far outweigh those costs in the long term.

Appendix A—IFRS[®] Accounting Taxonomy content terminology

This appendix contains brief explanations of the IFRS Accounting Taxonomy terms used elsewhere in this document.

Core content—IFRS Accounting Taxonomy elements	
<p>The IFRS Accounting Taxonomy contains elements that represent disclosures in financial statements prepared in accordance with IFRS Accounting Standards.</p> <p>These elements are described using:</p> <ul style="list-style-type: none"> • line items—which represent the accounting concepts being reported. They can be either numerical, for example, ‘Assets’, ‘Property, plant and equipment’; or narrative, reflecting the figures and narrative reported, for example, ‘Description of accounting policy for government grants’. • axes and members—information categories and components that accounting concepts can be broken down into or reported by, for example, ‘Classes of property, plant and equipment’. Axes in the IFRS Accounting Taxonomy have a default member that applies whenever a preparer does not combine a line item with a specific member to tag the value of a disclosure. • tables—logical groupings of IFRS Accounting Taxonomy axes, members and line items. 	<p>These IFRS Accounting Taxonomy elements have:</p> <ul style="list-style-type: none"> • element names and element identifiers—unique computer tags used to identify and mark up the data. • element standard labels—human-readable names reflecting the accounting meaning of an element. Some elements have additional labels that provide more specific descriptions to show a total (total label), for example, or to distinguish between opening and closing balances (period start and end labels). Such additional labels do not alter the accounting meaning of the element but are used for displaying IFRS Accounting Taxonomy presentation relationships. • element types (ET)—categories of permitted data values, for example, text (T), text block (TB), monetary (M), decimal (DEC), percentage (PER), duration (DUR), Boolean (B) and extensible enumeration (EE). <ul style="list-style-type: none"> • Text element types are used for narrative disclosures. They are also used when IFRS Accounting Standards do not specify the details of a disclosure requirement, but a preparer is expected to express that disclosure requirement in a free-text format. • Text block element types are used for a set of information that might include, for example, numerical disclosures, narrative explanations and tables. • element properties, such as: <ul style="list-style-type: none"> • the period—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 • the balance—which indicates whether the element is generally expected to be reported as a credit or a debit.

Supporting content—Documentation and references for IFRS Accounting Taxonomy elements	
<p>The IFRS Accounting Taxonomy provides supporting content explaining the accounting meaning of an element.</p>	<p>This content includes:</p> <ul style="list-style-type: none"> • references – which link an element to the authoritative literature, for example, IFRS 15 <i>Revenue from Contracts with Customers</i>. • element reference types (ER) – which define the source of an element, for example, disclosure (D), example (E) and common practice (CP). • documentation labels – which provide a textual definition of each element. The sources of these definitions are the IFRS Accounting Standards and their accompanying materials, when available. • guidance labels – which are implementation notes that help preparers to correctly use IFRS Accounting Taxonomy elements in an electronic report.
Supporting content—Relationships between IFRS Accounting Taxonomy elements (linkbases)	
<p>The IFRS Accounting Taxonomy calculation linkbase explains how elements may relate mathematically to each other.</p>	<p>For example, this content includes:</p> <ul style="list-style-type: none"> • summations of elements to a total or subtotal; and • formulas to show that an element is a ratio of other taxonomy elements.
<p>The IFRS Accounting Taxonomy uses the presentation linkbase to provide presentation views under which the line items, axes and members (or a combination of these elements as tables) have been grouped. These presentation views enable human-readable viewing and navigation of the IFRS Accounting Taxonomy.</p>	<p>The IFRS Accounting Taxonomy has specific presentation elements:</p> <ul style="list-style-type: none"> • headings (abstract elements); and • presentation groups. <p>These elements are not used when tagging financial statements. These headings and presentation groups also have standard labels.</p>
<p>The IFRS Accounting Taxonomy uses the definition linkbase to provide views under which the combined line items, axes and members (tables) have been grouped. These views enable the computer-readable use of the IFRS Accounting Taxonomy.</p>	<p>For example, the content includes:</p> <ul style="list-style-type: none"> • a definition for each table; and • a default member for each axis.

Appendix B—List of proposed categorical elements and parent narrative elements

B1 This appendix includes the proposed categorical elements and parent narrative elements (paragraphs 11–18).

Element label	Documentation label	List	ET	ER	Reference
Statement that restated comparative information for MPMs is not disclosed because of impracticability	Statement that the entity does not disclose restated comparative information to reflect a change in how it calculates its management-defined performance measure(s), addition of a new management-defined performance measure, cessation of use of a previously disclosed management-defined performance measure or change in how it determines the income tax effects of reconciling items.		T	D	IFRS 18.125
Restated comparative information for MPMs not disclosed because of impracticability	Indicates (true false) whether the entity does not disclose the restated comparative information to reflect a change in how it calculates its management-defined performance measure(s), addition of a new management-defined performance measure, cessation of use of a previously disclosed management-defined performance measure or change in how it determines the tax effects of reconciling items.	True / False	B	D	IFRS 18.125
Disclosure related to accounting policies used for calculation of MPM [text block]	The disclosure of whether the entity has calculated its management-defined performance measure(s) other than by using accounting policies it used for items in the statement(s) of financial performance and if yes, the calculation the entity has used for its management-defined performance measure(s). Disclosure of whether the calculation of management-defined performance measure(s) differs from accounting policies required or permitted by IFRS Accounting Standards and if necessary, an explanation of the meaning of terms the entity uses.		TB	D	IFRS 18.B134(b)
Entity calculated MPM other than by using accounting policies it used for items in statement(s) of financial performance	Indicates (true false) whether the entity has calculated its management-defined performance measure(s) other than by using accounting policies it used for items in the statement(s) of financial performance.	True / False	B	D	IFRS 18.B134(b) (i)
Calculation of MPM differs from accounting policies required or permitted by IFRSs	Indicates (true false) whether the calculation of management-defined performance measure(s) differs from accounting policies required or permitted by IFRS Accounting Standards.	True / False	B	D	IFRS 18.B134(b) (ii)

continued...

...continued

Element label	Documentation label	List	ET	ER	Reference
Disclosure of investing in assets or providing financing to customers as main business activity [text block]	Disclosure of the entity's specified main business activity.		TB	D	IFRS 18.51
Entity invests in assets as main business activity	Indicates (true false) whether the entity invests in assets as a main business activity.	True / False	B	D	IFRS 18.51(a)
Entity provides financing to customers as main business activity	Indicates (true false) whether the entity provides financing to customers as a main business activity.	True / False	B	D	IFRS 18.51(b)
Entity changed assessment of whether it invests in assets or provides financing to customers as main business activity	Indicates (true false) whether the entity changed its assessment of whether it invests in assets or provides financing to customers as a main business activity.	True / False	B	D	IFRS 18.51(c)(i)
Amount and classification not disclosed because of impracticability-for items for which classification has changed because of changed assessment of main business activity	Indicates (true false) whether the entity does not disclose the information about the amount and classification of items of income and expenses before and after the change in assessment of whether it invests in assets or provides financing to customers as a main business activity in the current period and the amount and classification in the prior period for the items for which the classification has changed, because of the changed assessment, because it is impracticable to do so.	True / False	B	D	IFRS 18.51(c)(ii)

Appendix C—General policies for taxonomy modelling and publishing guidance

- C1 This appendix includes the IFRS Foundation’s general policies for taxonomy modelling and the publication of guidance used in the preparation of this PTU, specifically:
- (a) for the use of line-item modelling and dimensional modelling (paragraphs C2–C5);
 - (b) for the addition of elements to reflect requirements in IFRS Accounting Standards and Illustrative Examples or Implementation Guidance that accompany those Standards (paragraphs C6–C10);
 - (c) for the creation of calculation relationships (paragraph C11);
 - (d) for the use of line-item elements from the primary financial statements as line-item elements in dimensional modelling (paragraphs C12–C14);
 - (e) for the communication of relationships between elements in the primary financial statements and elements in the notes (paragraph C15);
 - (f) for the attribution of elements to presentation groups (paragraphs C16–C17);
 - (g) for the deprecation of elements (paragraphs C18–C20);
 - (h) for the addition of text block elements (paragraphs C21–C24);
 - (i) for the addition of categorical elements (paragraphs C25–C27); and
 - (j) for the publication of guidance (paragraphs C28–C31).

Use of line-item modelling and dimensional modelling

- C2 As a general policy for the IFRS Accounting Taxonomy, the IFRS Foundation uses line-item modelling for presentation requirements and uses line-item or dimensional modelling for disclosure requirements.
- C3 The IFRS Foundation uses line-item modelling for presentation requirements—that is, to present the information in a structured, hierarchical format. Line-item modelling represents this hierarchical format using parent–child relationships, in which a parent element reflects one possible hierarchical roll-up of the child elements included immediately below it. Line-item modelling has advantages over dimensional modelling because:
- (a) preparers can tag data more easily;
 - (b) users of digital financial statements can:
 - (i) consume the tagged data more easily; and
 - (ii) use calculations to analyse the data (paragraph C11).
- C4 Line-item modelling in isolation might not be a feasible modelling approach for all presentation and disclosure requirements in IFRS Accounting Standards. Therefore, the IFRS Foundation generally uses a combination of line-item modelling and calculations to reflect presentation requirements related to primary financial statements. The IFRS Foundation’s view is that calculations are useful because they enable users of digital financial statements to understand and draw relationships from tagged data effectively.
- C5 The IFRS Foundation uses dimensional modelling to convey additional characteristics of line-item elements. Specifically, dimensional modelling is used to communicate:
- (a) the disaggregation of a monetary value, by shared characteristics, into components that make up that value; or
 - (b) the specific characteristics of a concept that do not represent a monetary disaggregation (for example, the disclosure of the range of strike prices for the disclosure of share-based payment awards).

Addition of elements to reflect requirements in IFRS Accounting Standards and Illustrative Examples or Implementation Guidance that accompany those Standards

IFRS Accounting Standards

- C6 As a general modelling policy, Taxonomy elements are created for presentation or disclosure requirements in IFRS Accounting Standards. For example, paragraph 126(a) of IAS 36 requires an entity to disclose, for each class of assets, the amount of impairment losses recognised in profit or loss during the period. To reflect this requirement, the IFRS Accounting Taxonomy includes a monetary element for the impairment losses recognised

in profit or loss and an axis and member elements to reflect each class of asset. These elements include references that link the element to the presentation or disclosure requirement to which the element relates.

Illustrative Examples and Implementation Guidance accompanying IFRS Accounting Standards

- C7 Illustrative Examples or Implementation Guidance accompany but are not part of an Accounting Standard. The purpose of the Illustrative Examples and Implementation Guidance is to illustrate the requirements of the accompanying Accounting Standard (for example, presentation or disclosure requirements).
- C8 As a general modelling policy, Taxonomy elements are created for items that illustrate presentation and disclosure requirements in the Illustrative Examples or Implementation Guidance if the IFRS Foundation reasonably expects preparers to use those elements.
- C9 For example, paragraph IE63 of the Illustrative Examples accompanying IFRS 13 *Fair Value Measurement* illustrates that the disclosure of significant unobservable inputs used in fair value measurement as required by paragraph 93(d) of IFRS 13 may be disaggregated by valuation techniques. The IFRS Accounting Taxonomy reflects this possible disaggregation of the disclosure requirements using an axis and member elements. The member elements reflect examples of valuation techniques included in IFRS 13 and in the Illustrative Examples accompanying IFRS 13.
- C10 Contrary to the example described in paragraph C9, no elements were added for the example in paragraph IG3 of the Implementation Guidance accompanying IFRS 8 *Operating Segments*, which illustrates possible reportable segments of an entity. The IFRS Accounting Taxonomy includes no elements that reflect these possible reportable segments because these reportable segments are entity-specific, and it is unlikely that entities would commonly report operating segments in this way.

Creation of calculation relationships

- C11 Calculation relationships are created in the IFRS Accounting Taxonomy to express summation relationships, which help users of digital financial statements select the right concepts and understand how they relate to one another. Calculation relationships are included in the IFRS Accounting Taxonomy if possible. However, not all relationships can be expressed using calculation relationships because of limitations in the calculation specifications issued by XBRL[®] International Inc. For example:
- (a) the specifications do not work with cross-period elements—that is, calculations between instant and duration period type elements are not possible;
 - (b) the specifications do not work across dimensions—that is, calculations between elements used with different dimensional attributes are not possible;
 - (c) the specifications mean that the balance type of the total concept determines whether the operands can be added or subtracted—for example, if the balance type for a concept is ‘debit’ for the total, only debit concepts can be added, and only credit concepts can be subtracted;
 - (d) the specifications require an exhaustive list of children to be included and cannot be used when a list of members is just examples of what could be included; and
 - (e) the specifications limit the possible calculations—there cannot be more than one calculation adding up the same total in the same calculation extended link role.

Use of line-items from the primary financial statements as line-item elements in dimensional modelling

- C12 Line-items from the primary financial statements are used as line-item elements, rather than as member elements on an axis, if:
- (a) an Accounting Standard requires an entity to refer to line items from the primary financial statements in a particular disclosure; and
 - (b) the IFRS Accounting Taxonomy reflects those disclosure requirements using dimensional modelling.
- C13 Using line-items from the primary financial statements as line-item elements in dimensional modelling better conveys information about the relationships between items presented in the primary financial statements and items disclosed in the notes because it creates a structural link between items presented in the primary financial statements and items disclosed in the notes. It eliminates the need for entities to create extension elements to connect information disclosed in the notes with items presented in primary financial statements (entities would be able to use the same line items used to tag information in the primary financial statements).

- C14 This policy has some risks, for example:
- (a) some disclosure requirements might require an entity to provide information about line items from the primary financial statements as secondary information, rather than as the primary information required to be disclosed. In such cases, the proposed approach might be counterintuitive for preparers and users of digital financial statements because it could imply that the line items from the primary financial statements are the main information required by the disclosure requirement.
 - (b) some entities could provide the information about line items from the primary financial statements in a narrative format, rather than in a table. For such entities, tagging the information in the table format could be counterintuitive. To mitigate this risk, the IFRS Foundation generally provides guidance to help ensure that entities apply the proposed modelling consistently.

Communication of relationships between elements in the primary financial statements and elements in the notes

- C15 Two features are used in the IFRS Accounting Taxonomy to communicate the relationship between elements that reflect the primary financial statements and related elements that reflect information disclosed in the notes:
- (a) the documentation labels of elements include cross-references to related elements to help preparers identify related elements for more information about the element; and
 - (b) the same concept is used for line items in primary financial statements and related items disclosed in the notes. For example, the same element is used for the line item 'Property, plant and equipment' in the presentation group '[210000] Statement of financial position, current/non-current' and the disclosed item 'Property, plant and equipment' in the presentation group '[822100] Notes - Property, plant and equipment'.

Attribution of elements to presentation groups

- C16 As a general policy for the IFRS Accounting Taxonomy, elements are included in the presentation group based on the Accounting Standard to which they relate. For example, the elements 'Foreign exchange gain' and 'Foreign exchange loss' are included in the presentation group '[842000] Notes - Effects of changes in foreign exchange rates'. This practice allows preparers and users to find all elements relating to disclosures required by a specific Accounting Standard in a distinct location.
- C17 In addition to presentation groups that reflect the respective IFRS Accounting Standards, the IFRS Accounting Taxonomy groups elements into presentation groups based on the primary financial statements in which those concepts may be presented. This practice helps preparers and users navigate the IFRS Accounting Taxonomy. For example, elements that the IFRS Foundation reasonably expects entities to present in the statement of profit or loss are included in the presentation groups '[310000] Statement of comprehensive income, profit or loss, by function of expense' and '[320000] Statement of comprehensive income, profit or loss, by nature of expense'.²⁴

Deprecation of elements

- C18 As a general policy for the IFRS Accounting Taxonomy, if a presentation or disclosure requirement changes, the IFRS Foundation deprecates any related existing elements and adds new elements instead of only changing the element labels.
- C19 The IFRS Foundation acknowledges that depreciating elements creates issues for users of digital financial statements wishing to build a continuous time series of an item (for example, of a specific subtotal). However, the IFRS Foundation's view is that depreciating an element if a presentation or disclosure requirement changes reflects the change in those requirements (that is, continued use of elements for which the related presentation or disclosure requirements have changed would be misleading for users of digital financial statements).
- C20 Deprecation is not the same as deletion. Deprecation means that an element is still available in the IFRS Accounting Taxonomy files, but the IFRS Foundation no longer recommends using that element. Depreciated elements are moved from the 'IFRS Full Standards entry point' to the 'Deprecated entry point'.

²⁴ This PTU proposes to deprecate these two presentation groups and create a single presentation group to reflect the statement presenting comprehensive income, profit or loss (see Appendix F).

Addition of text block elements

- C21 Text block elements can be used to reflect requirements to disclose qualitative or quantitative information that does not specify the content, structure or format of those disclosures. Text block elements are typically used to tag disclosures of unstructured blocks of information, which may include, for example, numeric disclosures, narrative explanations, tables or graphs.
- C22 Text block elements are usually added for:
- (a) accounting policies that have a material effect on the financial statements;
 - (b) individual notes;
 - (c) all disclosures presented in a table, referred to as a table text block; and
 - (d) some disclosures of unstructured blocks of information that may contain narrative and/or unspecified quantitative information.
- C23 Generally, a distinct text block element is added for each narrative disclosure expected to be separately understandable for users of digital financial statements and readily identifiable for tagging—provided that tagging the information would not involve excessive cost for preparers.
- C24 Text block elements facilitate the extraction and analysis of large blocks of unstructured information. For example, users of digital financial statements could use the element ‘Disclosure of business combinations [text block]’ to search for the entire note on business combinations in a set of digital financial statements.

Addition of categorical elements

What are categorical elements?

- C25 Categorical elements allow preparers to tag standard responses from a list of options defined in the IFRS Accounting Taxonomy. The objective of adding categorical elements is to help users of digital financial statements analyse narrative disclosures more efficiently. Categorical elements allow users of digital financial statements to efficiently extract and analyse narrative information that can be provided in a structured format. The types of categorical elements introduced are:
- (a) Boolean elements—these allow an entity to choose between ‘true’ or ‘false’ (‘yes’ or ‘no’) options; and
 - (b) extensible enumeration elements—these allow an entity to choose a specified option or options from a discrete list of possible outcomes (and create entity-specific option(s) if necessary). There are two variants of extensible enumeration elements—set-valued extensible enumerations and single-valued extensible enumerations. Set-valued extensible enumerations allow an entity to choose multiple options from a specified list, whereas single-valued extensible enumerations allow an entity to choose only one option from a specified list.

General policies for categorical elements

- C26 The IFRS Foundation’s general policies for categorical elements in the IFRS Accounting Taxonomy are:
- (a) to add a Boolean element when narrative disclosures can be appropriately standardised as either ‘true’ or ‘false’.
 - (b) to add an extensible enumeration element if an exhaustive list of options is provided in an Accounting Standard, for example the disclosure of an entity’s accounting policy choice.
 - (c) to add an extensible enumeration element if an exhaustive list of options is not provided in an Accounting Standard but the examples accompanying that Standard illustrate information that would be useful for users of digital financial statements if disclosed in a categorical format. In such cases, the list of options excludes the option ‘other’ to avoid false assumptions about the comparability of the information (specifically, if two entities both use ‘other’ to tag a discrete piece of entity-specific information this does not mean they are comparable because they both used ‘other’ to tag that information).
 - (d) to use categorical elements alongside parent narrative elements. This approach helps preparers tag both categorical data and any related contextual information.

- (e) to avoid the use of ‘true-only’ Boolean elements—that is, a variant of Boolean elements that only allows preparers to tag a value as ‘true’ (or ‘yes’) or omit the tag. Using such Boolean elements could lead to problems if jurisdictions decide to make using a categorical element mandatory, although the related information is not explicitly required to be disclosed in the paper-based disclosure.

C27 The IFRS Accounting Taxonomy modelling policy is to include extensible enumeration elements to reflect the disclosure of an entity’s accounting policy choices, arising from:

- (a) requirements in specific IFRS Accounting Standards for an entity to disclose its accounting policy choice. For example, paragraph 73(a) of IAS 16 requires an entity to disclose the measurement bases used for determining the gross carrying amount for each class of property, plant and equipment. Accordingly, the IFRS Foundation created an extensible enumeration element to reflect this requirement, along with a list of discrete options to reflect these measurement bases – ‘Cost model’ and ‘Revaluation model’.
- (b) the requirement for an entity to disclose material accounting policy information in the notes, in accordance with paragraph 27A of IAS 8. The IFRS Foundation plans to include extensible enumeration elements for this requirement in IAS 8 as part of a future general improvements project.

Publication of guidance

C28 The IFRS Foundation has published two guides about using the IFRS Taxonomy:

- (a) Using the IFRS Taxonomy—A preparer’s guide to help preparers understand the content of the IFRS Taxonomy; and
- (b) Using the IFRS Taxonomy—A regulator’s guide to help regulators and other organisations with the adoption and use of the IFRS Accounting Taxonomy files and content within an electronic filing system.

C29 The IFRS Foundation also publishes tagged illustrative examples to show how the IFRS Accounting Taxonomy is used. These examples include examples of tagged presentations and disclosures that reflect requirements in IFRS Accounting Standards, using IFRS Accounting Taxonomy elements and the XBRL[®] syntax.

C30 Some elements in the IFRS Accounting Taxonomy also include ‘guidance labels’ to guide preparers on how to use the elements. Additionally, for every change in the IFRS Accounting Taxonomy the rationale for the change and the intended use of the changed or new elements in the corresponding IFRS Taxonomy Update document is explained.

C31 The IFRS Foundation encourages preparers to make effective use of the available guidance and will provide more guidance on using elements related to IFRS 18 in these guidance materials.

Appendix D—Illustration of a tagged example MPM reconciliation

D1 This appendix illustrates how a preparer would tag a table disclosing an MPM reconciliation using the proposed modelling (described in paragraphs 71–73) and the resulting data a user of digital financial statements would be able to extract from such a tagged table. The appendix consists of five tables, specifically:

- Table D1 illustrates an example disclosure of an MPM reconciliation of two MPMs in a single table;
- Table D2 illustrates the example disclosure in Table D1 in separate tables for each MPM;
- Table D3 illustrates the proposed elements for the disclosure requirements for the MPM reconciliation;
- Table D4 illustrates the tagged example disclosure of an MPM reconciliation (Table D1) using the proposed elements (Table D3); and
- Table D5 illustrates the data a user would be able to extract from the tagged example disclosure of an MPM reconciliation (Table D4).

Table D1—Illustration of an example disclosure of an MPM reconciliation of two MPMs in a single table²⁵

	IFRS	Impairment loss	Restructuring expenses	Gains on disposal of property, plant and equipment ²⁶	MPM
Other operating income	–	–	–	(1,800)	–
Research and development expenses	–	1,600	–	–	–
General and administrative expenses	–	–	3,800	–	–
Goodwill impairment loss	–	4,500	–	–	–
Operating profit / Adjusted operating profit	57,000	6,100	3,800	(1,800)	65,100
Income tax expense	–	–	(589)	297	–
Profit from continuing operations / Adjusted profit from continuing operations	32,100	6,100	3,211	(1,503)	39,908
Profit attributable to non-controlling interests	–	305	161	–	–

Table D2—Illustration of the example disclosure in Table D1 in separate tables for each MPM

Table A (Reconciliation of operating profit to adjusted operating profit)	IFRS	Impairment loss	Restructuring expenses	Gains on disposal of property, plant and equipment	MPM
Other operating income	–	–	–	(1,800)	–
Research and development expenses	–	1,600	–	–	–
General and administrative expenses	–	–	3,800	–	–

continued...

²⁵ In this example all reconciling items relate to the reconciliation of both MPMs, which is why they can be disclosed in a combined table (Table D2 illustrates the same MPM reconciliation in two separate tables). This will not necessarily be the case for all entities.

²⁶ In this example, the table was structured to convey the adjustment *from* the IFRS measure *to* the MPM, and the signs shown in the rows were chosen to be consistent with their impact on the adjustment of the IFRS measure, irrespective of whether the row in question relates to an income or an expense. It should be noted that neither of those choices are required by the Standard, and other representations are possible.

...continued

Table A (Reconciliation of operating profit to adjusted operating profit)	IFRS	Impairment loss	Restructuring expenses	Gains on disposal of property, plant and equipment	MPM
Goodwill impairment loss	–	4,500	–	–	–
Operating profit / Adjusted operating profit	57,000	6,100	3,800	(1,800)	65,100
Income tax expense	–	–	(589)	297	–
Profit attributable to non-controlling interests	–	305	161	–	–

Table B (Reconciliation of profit from continuing operations to adjusted profit from continuing operations)	IFRS	Impairment loss	Restructuring expenses	Gains on disposal of property, plant and equipment	MPM
Other operating income	–	–	–	(1,800)	–
Research and development expenses	–	1,600	–	–	–
General and administrative expenses	–	–	3,800	–	–
Goodwill impairment loss	–	4,500	–	–	–
Income tax expense	–	–	(589)	297	–
Profit from continuing operations / Adjusted profit from continuing operations	32,100	6,100	3,211	(1,503)	39,908
Profit attributable to non-controlling interests	–	305	161	–	–

Table D3—Proposed elements for the disclosure requirement for the MPM reconciliation*Text block element*

Element label	ET	ER	Reference
Disclosure of management-defined performance measures	TB	D	IFRS 18.122

Table text block element

Element label	ET	ER	Reference
Disclosure of reconciliation of management-defined performance measures	TB	D	IFRS 18.123(c)

Axes and members

Element label	ER	Reference
A1 Management-defined performance measures [A]	D	IFRS 18.122, IFRS 18.123(c)
M1 Adjusted operating profit [M] [Extension]		
M2 Adjusted profit from continuing operations [M] [Extension]		
A2 Reconciling items in reconciliation of management-defined performance measures [A]	D	IFRS 18.123(c)

continued...

...continued

	Element label	ER	Reference
M3	Impairment loss adjustment [M] [Extension]		
M4	Restructuring expenses adjustment [M] [Extension]		
M5	Gains on disposal of property, plant and equipment adjustment [M] [Extension]		

Line items

	Element label	ET	ER	Reference
	Total or subtotal listed in IFRS Accounting Standards [abstract]			
L1	Operating profit (loss), operating	M	D	IFRS 18.69(a)
L2	Profit before financing and income taxes	M	D	IFRS 18.69(b)
L3	Profit or loss	M	D	IFRS 18.69(c), IFRS 18.86(a), IFRS 18.107(c)(i)
L4	Profit (loss) from continuing operations	M	D	IFRS 18.86(a), IFRS 18.118(f)
	... (other totals and subtotals listed in IFRS Accounting Standards)			
	Line items from the statement of profit or loss [abstract]			
L5	Other operating income, operating	M	E	IFRS 18.1E7
L6	Research and development expenses, operating	M	D	IFRS 18.81(a)
L7	General and administrative expenses, operating	M	CP	IFRS 18.24
L8	Impairment loss recognised in profit or loss, goodwill, operating	M	E	IFRS 18.1E7
L9	Income tax expense (income), income taxes	M	D	IFRS 18.75(a)(iv)
L10	Profit (loss), attributable to non-controlling interests	M	D	IFRS 18.76(a)
	... (entity might need to use other line items from the statement of profit or loss)			
L11	Management-defined performance measure	M	D	IFRS 18.122, IFRS 18.123(c)

Table D4—Tagged example disclosure of an MPM reconciliation (Table D1) using the proposed elements (Table D3)²⁷

	IFRS	Impairment loss	Restructuring expenses	Gains on disposal of property, plant and equipment ²⁸	MPM
Other operating income	–	–	–	(1,800) [L5, A1:M1, A2:M5], [L5, A1:M2, A2:M5]	–
Research and development expenses	–	(1,600) [L6, A1:M1, A2:M3], [L6, A1:M2, A2:M3]	–	–	–
General and administrative expenses	–	–	(3,800) [L7, A1:M1, A2:M4], [L7, A1:M2, A2:M4]	–	–
Goodwill impairment loss	–	(4,500) [L8, A1:M1, A2:M3], [L8, A1:M2, A2:M3]	–	–	–
Operating profit / Adjusted operating profit	57,000 [L1, A1:M1]	6,100²⁹ [L11, A1:M1, A2:M3]	3,800 [L11, A1:M1, A2:M4]	(1,800) [L11, A1:M1, A2:M5]	65,100 [L11, A1:M1]
Income tax expense	–	–	(589) [L9, A1:M1, A2:M4] [L9, A1:M2, A2:M4]	(297) [L9, A1:M1, A2:M5] [L9, A1:M2, A2:M5]	–
Profit from continuing operations / Adjusted profit from continuing operations	32,100 [L4, A1:M2]	6,100 [L11, A1:M2, A2:M3]	3,211 [L11, A1:M2, A2:M4]	(1,503) [L11, A1:M2, A2:M5]	39,908 [L11, A1:M2]

continued...

27 In Table D1, for simplicity, all reconciling items relate to the reconciliation of both MPMs. For example, the reconciling item ‘impairment loss’ forms part of the reconciliation between (i) ‘Operating profit’ and ‘Adjusted operating profit’; and (ii) ‘Profit from continuing operations’ and ‘Adjusted profit from continuing operations’. As described in paragraph 109(b), such ‘common reconciling items’ should be double-tagged to communicate clearly that they relate to both MPM reconciliations (that is, the reconciling items should be tagged identically to how they would be tagged were the MPM reconciliations disclosed in two separate tables, as illustrated in Table D2).

28 In accordance with the guidance on the usage of signs (paragraph 109(a)), a reconciling item which decreases a line item in the statement of profit or loss should be tagged with a minus sign, and conversely, if it increases a line item, a plus sign. For example, all reconciling items in this illustration are decreasing line items in the statement of profit or loss to arrive at MPM, and hence are tagged with minus sign.

29 The expense line items ‘Research and development expenses’ and ‘Goodwill impairment loss’ have a debit balance type, thus the example adjustments to those line items are tagged with a minus sign. Because the management-defined performance measure has a credit balance type, the effect of the example adjustments will have the opposite sign (that is, a plus sign). The ‘Other operating income’ line item has a credit balance type, thus the example adjustment to that line item is tagged with a minus sign. Because the management-defined performance measure has a credit balance type, the effect of the example adjustment has the same sign (that is, a minus sign).

...continued

	IFRS	Impairment loss	Restructuring expenses	Gains on disposal of property, plant and equipment ²⁸	MPM
Profit attributable to non-controlling interests	–	305 [L10, A1:M1, A2:M3] [L10, A1:M2, A2:M3]	161 [L10, A1:M1, A2:M4] [L10, A1:M2, A2:M4]	–	–

Table D5—Data a user would be able to extract from the tagged example disclosure of an MPM reconciliation

Management-defined performance measure [A]	Adjusted operating profit [M]	Adjusted operating profit [M]	Adjusted operating profit [M]	Adjusted operating profit [M]	Adjusted profit from continuing operations [M]	Adjusted profit from continuing operations [M]	Adjusted profit from continuing operations [M]	Adjusted profit from continuing operations [M]
Reconciling items in reconciliation of management-defined performance measure [A]	Impairment loss adjustment [M]	Restructuring expenses adjustment [M]	Gains on disposal of property, plant and equipment adjustment [M]		Impairment loss adjustment [M]	Restructuring expenses adjustment [M]	Gains on disposal of property, plant and equipment adjustment [M]	
Operating profit (loss), operating				57,000				
Profit (loss) from continuing operations								32,100
Other operating income, operating			(1,800)				(1,800)	
Research and development expenses, operating	(1,600)				(1,600)			

continued...

28 In accordance with the guidance on the usage of signs (paragraph 109(a)), a reconciling item which decreases a line item in the statement of profit or loss should be tagged with a minus sign, and conversely, if it increases a line item, a plus sign. For example, all reconciling items in this illustration are decreasing line items in the statement of profit or loss to arrive at MPM, and hence are tagged with minus sign.

...continued

Management-defined performance measure [A]	Adjusted operating profit [M]	Adjusted operating profit [M]	Adjusted operating profit [M]	Adjusted operating profit [M]	Adjusted profit from continuing operations [M]	Adjusted profit from continuing operations [M]	Adjusted profit from continuing operations [M]	Adjusted profit from continuing operations [M]
General and administrative expenses, operating		(3,800)				(3,800)		
Impairment loss recognised in profit or loss, goodwill, operating	(4,500)				(4,500)			
Income tax expense (income), income taxes		(589)	(297)			(589)	(297)	
Management-defined performance measure	6,100	3,800	1,800	65,100	6,100	3,211	1,503	39,908
Profit (loss), attributable to non-controlling interests	305	161			305	161		

Appendix E—Illustration of a tagged example disclosure of specified expenses by nature

E1 This appendix illustrates how a preparer would tag a table disclosing specified expenses by nature using the proposed modelling (described in paragraphs 88–90) and the resulting data a user of digital financial statements would be able to extract from such a tagged table. The appendix consists of four tables, specifically:

- (a) Table E1 illustrates an example disclosure of specified expenses by nature;
- (b) Table E2 illustrates the proposed elements for the disclosure requirement for specified expenses by nature;
- (c) Table E3 illustrates the tagged example disclosure of specified expenses by nature (Table E1) using the proposed elements (Table E2); and
- (d) Table E4 and Table E5 illustrate the data a user would be able to extract from the tagged example disclosure of specified expenses by nature (Table E3).

Table E1—Example disclosure of specified expenses by nature

Specified expenses by nature	20X2
Depreciation	
Cost of sales	23,710
Research and development expenses	2,515
General and administrative expenses	4,975
Total depreciation	31,200
Amortisation	
Research and development expenses	13,840
Total amortisation	13,840
Employee benefits	
Cost of sales	61,640
Selling expenses	7,515
Research and development expenses	6,545
General and administrative expenses	8,920
Total employee benefits	84,620
Impairment loss^{a)}	
Research and development expenses	1,600
Goodwill impairment loss	4,500
Total impairment loss	6,100
Write-down of inventories^{a)}	
Cost of sales	2,775
Total write-down of inventories	2,775
a) The amounts disclosed represent the total of impairment loss and reversal of impairment loss and the total of write-down of inventories and reversal of write-down of inventories.	

Table E2—Proposed elements for the disclosure requirement for specified expenses by nature

Table text block element

Element label	ET	ER	Reference
TB1 Disclosure of specified expenses by nature	TB	D	IFRS 18.83

Axes and members

	Element label	ER	Reference
A1	Attribution of specified expenses by nature [A]	D	IFRS 18.83
M1	Line items by nature [DM]	D	IFRS 18.83
M2	Depreciation [M]	D	IFRS 18.83(a)(i)
M3	Amortisation [M]	D	IFRS 18.83(a)(ii)
M4	Employee benefits [M]	D	IFRS 18.83(a)(iii)
M5	Impairment loss (reversal of impairment loss) [M]	D	IFRS 18.83(a)(iv)
M6	Write-down (reversal of write-down) of inventories [M]	D	IFRS 18.83(a)(v)

Line items

	Element label	ET	ER	Reference
L1	Cost of sales, operating	M	D	IFRS 18.82(a)
L2	Research and development expenses, operating	M	D	IFRS 18.81(a)
L3	General and administrative expenses, operating	M	CP	IFRS 18.24
L4	Selling expenses, operating	M	E	IFRS 18.B85
L5	Impairment loss recognised in profit or loss, goodwill, operating	M	E	IFRS 18.IE7
L6	Operating profit (loss), operating	M	D	IFRS 18.69(a)
L7	Depreciation, total	M	D	IFRS 18.83(a)(i)
L8	Amortisation, total	M	D	IFRS 18.83(a)(ii)
L9	Employee benefits expenses, operating	M	D	IFRS 18.78, IFRS 18.83(a)(iii)
L10	Impairment loss (reversal of impairment loss) recognised in profit or loss, operating	M	D	IFRS 18.78, IFRS 18.83(a)(iv)
L11	Write-down (reversal of write-down) of inventories, operating	M	D	IFRS 18.B79(a)

Table E3—Tagged example disclosure of specified expenses by nature (Table E1) using the proposed elements (Table E2)

Specified expenses by nature	20X2
Depreciation	
Cost of sales	23,710 [A1:M2, L1]
Research and development expenses	2,515 [A1:M2, L2]
General and administrative expenses	4,975 [A1:M2, L3]
Total depreciation	31,200 [A1:M2, L6]; [L7]
Amortisation	
Research and development expenses	13,840 [A1:M3, L2]
Total amortisation	13,840 [A1:M3, L6]; [L8]
Employee benefits	
Cost of sales	61,640 [A1:M4, L1]
Selling expenses	7,515 [A1:M4, L4]
Research and development expenses	6,545 [A1:M4, L2]
General and administrative expenses	8,920 [A1:M4, L3]
Total employee benefits	84,620 [A1:M4, L6]; [L9]
Impairment loss^{a)}	

continued...

...continued

Specified expenses by nature	20X2
Research and development expenses	1,600 [A1:M5, L2]
Goodwill impairment loss	4,500 [A1:M5, L5]
Total impairment loss	6,100 [A1:M5, L6]; [L10]
Write-down of inventories ^{a)}	
Cost of sales	2,775 [A1:M6, L1]
Total write-down of inventories	2,775 [A1:M6, L6]; [L11]
a) The amounts disclosed represent the total of impairment loss and reversal of impairment loss and the total of write-down of inventories and reversal of write-down of inventories.	

Table E4—Data a user would be able to extract from the tagged example (requirement to disclose the amount related to each line item in the operating category of the statement of profit or loss)

Attribution of specified expenses by nature [A]	Depreciation [M]	Amortisation [M]	Employee benefits [M]	Impairment loss (reversal of impairment loss) [M]	Write-down (reversal of write-down) of inventories [M]
Cost of sales, operating	23,710		61,640		2,775
Selling expenses, operating			7,515		
Research and development expenses, operating	2,515	13,840	6,545	1,600	
General and administrative expenses, operating	4,975		8,920		
Impairment loss recognised in profit or loss, goodwill, operating				4,500	
Operating profit (loss), operating	31,200	13,840	84,620	6,100	2,775

Table E5—Data a user would be able to extract from the tagged example (requirement to disclose the total amount)

Depreciation, total	31,200
Amortisation, total	13,840
Employee benefits expense, operating	84,620
Impairment loss (reversal of impairment loss) recognised in profit or loss, operating	6,100
Write-down (reversal of write-down) of inventories, operating	2,775

Appendix F—Illustration of a single presentation group for the statement presenting comprehensive income, profit or loss

F1 This appendix illustrates the proposed single presentation group for the statement presenting comprehensive income, profit or loss and the proposed abstracts (paragraphs 113–116).

Table F1—Proposed single presentation group for the statement presenting comprehensive income, profit or loss

Element label	ET	ER	Reference ³⁰
Profit or loss [abstract]			
Profit (loss) [abstract]			
Operating category in profit or loss [abstract]			
Revenue, operating	M	D	IFRS 18.75(a)(i)
Cost of sales, operating	M	D	IFRS 18.82(a)
Gross profit (loss), operating	M	D	IFRS 18.118(a)
Increase (decrease) in inventories of finished goods and work in progress, operating	M	D	IFRS 18.78
Other work performed by entity and capitalised, operating	M	CP	IFRS 18.24
Royalty income, operating	M	CP	IFRS 18.24
Licence fee income, operating	M	CP	IFRS 18.24
Franchise fee income, operating	M	CP	IFRS 18.24
Selling expenses, operating	M	E	IFRS 18.B85
General and administrative expenses, operating	M	CP	IFRS 18.24
Research and development expenses, operating	M	E	IFRS 18.81(a)
Raw materials and consumables used, operating	M	D	IFRS 18.78
Employee benefits expenses, operating	M	D	IFRS 18.78, IFRS 18.83(a)(iii)
Depreciation and amortisation expense, operating	M	D	IFRS 18.78
Trading income (expense), operating	M	E	IFRS 18.1E13
Reversal of impairment loss (impairment loss) recognised in profit or loss, operating	M	D	IFRS 18.78, IFRS 18.83(a)(iv)
Other operating income (expense), operating	M	CP	IFRS 18.24
Foreign exchange gain (loss), operating	M	E	IFRS 18.B28
Impairment loss recognised in profit or loss, goodwill, operating	M	E	IFRS 18.1E7
Hedging gains (losses) for hedge of group of items with offsetting risk positions, operating	M	D	IFRS 7.24C(b) (vi), IFRS 9.6.6.4
Difference between carrying amount of dividends payable and carrying amount of non-cash assets distributed, operating	M	D	IFRIC 17.15
Gains (losses) on net monetary position, operating	M	D	IAS 29.9
Impairment gain and reversal of impairment loss (impairment loss) determined in accordance with IFRS 9, operating	M	D	IFRS 18.75(b)(ii)
Gain (loss) arising from derecognition of financial assets measured at amortised cost, operating	M	D	IFRS 18.75(b)(iii)

continued...

³⁰ For simplicity, this table shows only the proposed references to IFRS 18 (or references to other IFRS Accounting Standards if there are no references to IFRS 18).

...continued

Element label	ET	ER	Reference ³⁰
Gains (losses) arising from difference between previous amortised cost and fair value of financial assets reclassified out of amortised cost into fair value through profit or loss measurement category, operating	M	D	IFRS 18.75(b)(iv)
Cumulative gain (loss) previously recognised in other comprehensive income arising from reclassification of financial assets out of fair value through other comprehensive income into fair value through profit or loss measurement category, operating	M	D	IFRS 18.75(b)(v)
Insurance finance income (expenses) from insurance contracts issued recognised in profit or loss, operating	M	D	IFRS 18.75(c)(iv)
Finance income (expenses) from reinsurance contracts held recognised in profit or loss, operating	M	D	IFRS 18.75(c)(v)
Operating profit (loss), operating	M	D	IFRS 18.69(a)
Investing category in profit or loss [abstract]			
Share of profit (loss) of associates and joint ventures accounted for using equity method, investing	M	D	IFRS 18.75(a)(iii)
Gains (losses) on disposals of associates and joint ventures, investing	M	E	IFRS 18.1E7
Investment income, investing	M	E	IFRS 18.1E11
Interest revenue calculated using effective interest method, investing	M	D	IFRS 18.75(b)(i)
Impairment gain and reversal of impairment loss (impairment loss) determined in accordance with IFRS 9, investing	M	D	IFRS 18.75(b)(ii)
Gain (loss) arising from derecognition of financial assets measured at amortised cost, investing	M	D	IFRS 18.75(b)(iii)
Gains (losses) arising from difference between previous amortised cost and fair value of financial assets reclassified out of amortised cost into fair value through profit or loss measurement category, investing	M	D	IFRS 18.75(b)(iv)
Cumulative gain (loss) previously recognised in other comprehensive income arising from reclassification of financial assets out of fair value through other comprehensive income into fair value through profit or loss measurement category, investing	M	D	IFRS 18.75(b)(v)
Rental income, investing	M	CP	IFRS 18.24
Foreign exchange gain (loss), investing	M	E	IFRS 18.B28
Profit (loss) before financing and income taxes	M	D	IFRS 18.69(b)
Financing category in profit or loss [abstract]			
Interest expense, financing	M	D	IFRS 18.61
Foreign exchange gain (loss), financing	M	E	IFRS 18.B28
Profit (loss) before income taxes	M	D	IFRS 18.118(e)
Income taxes category in profit or loss [abstract]			
Income taxes income (expense), income taxes	M	D	IFRS 18.75(a)(iv)
Foreign exchange gain (loss), income taxes	M	E	IFRS 18.B28

continued...

³⁰ For simplicity, this table shows only the proposed references to IFRS 18 (or references to other IFRS Accounting Standards if there are no references to IFRS 18).

...continued

Element label	ET	ER	Reference ³⁰
Profit (loss) from continuing operations	M	D	IFRS 18.86(a), IFRS 18.118(f)
Discontinued operations category in profit or loss [abstract]			
Profit (loss) from discontinued operations, discontinued operations	M	D	IFRS 18.75(a)(v)
Profit (loss)	M	D	IFRS 18.69(c), IFRS 18.86(a), IFRS 18.107(c)(i)
Profit (loss), attributable to [abstract]			
Profit (loss), attributable to owners of parent	M	D	IFRS 18.76(b)
Profit (loss), attributable to non-controlling interests	M	D	IFRS 18.76(a)
Additional or alternative subtotals and related elements [abstract]			
Operating profit (loss) before depreciation, amortisation and impairments, operating	M	D	IFRS 18.118(b)
Operating profit (loss) and income (expenses) from all investments accounted for using equity method	M	D	IFRS 18.118(c)
Operating profit (loss) and all income (expenses) classified in investing category	M	D	IFRS 18.118(d)
Interest income and expenses [abstract]			
Interest revenue calculated using effective interest method, operating	M	D	IFRS 18.75(b)(i)
Interest expense, operating	M	E	IFRS 18.IE13
Net interest income (expense), operating	M	E	IFRS 18.B123(a)
Insurance service result [abstract]			
Insurance revenue, operating	M	D	IFRS 18.75(c)(i)
Insurance service expenses from insurance contracts issued, operating	M	D	IFRS 18.75(c)(ii)
Income (expenses) from reinsurance contracts held, other than finance income (expenses), operating	M	D	IFRS 18.75(c)(iii)
Total insurance service result, operating	M	E	IFRS 18.B123(c)
Fee and commission income (expense) [abstract]			
Fee and commission income, operating	M	E	IFRS 18.IE13
Fee and commission expense, operating	M	E	IFRS 18.IE13
Net fee and commission income (expense), operating	M	E	IFRS 18.B123(b)
Rental income (expense) [abstract]			
Rental income, operating	M	CP	IFRS 18.24
Rental expense, operating	M	CP	IFRS 18.24
Net rental income (expense), operating	M	E	IFRS 18.B123(e)
Net financial result [abstract]			
Investment income, operating	M	CP	IFRS 18.24
Insurance finance income (expenses), operating	M	D	IFRS 17.110

continued...

³⁰ For simplicity, this table shows only the proposed references to IFRS 18 (or references to other IFRS Accounting Standards if there are no references to IFRS 18).

...continued

Element label	ET	ER	Reference³⁰
Net financial result, operating	M	E	IFRS 18.B123(d)

³⁰ For simplicity, this table shows only the proposed references to IFRS 18 (or references to other IFRS Accounting Standards if there are no references to IFRS 18).

Appendix G—Illustration of the ‘fact-explanatoryFact’ footnoteArc mechanism

G1 This appendix illustrates the use of ‘fact-explanatoryFact’ footnoteArc mechanism. As discussed in paragraphs 118–121, the IASB encourages preparers to use a ‘fact-explanatoryFact’ footnoteArc to connect a disclosed fact in the notes with the fact in the primary financial statements in which the amount is included.

Table G1—Illustration of an extract of an entity’s statement of profit or loss

	20X2	20X1
Revenue	120	90
Cost of sales	70	50
Gross profit	50	40

Table G2—Illustration of an extract of an entity’s notes to the financial statements

Included in cost of sales in the statement of profit or loss is an expense of CU10 for abnormal amounts of wasted materials.

Table G3—Illustrative proposed tagging using the ‘fact-explanatoryFact’ footnoteArc mechanism

	Taxonomy element	Tagged fact
Fact_a	Disclosure of line items in primary financial statements in which disclosed amounts are included	Included in cost of sales is an expense of CU10 for abnormal amounts of wasted materials.

	Taxonomy element	Tagged fact (current year)
A	Revenue, operating	120
B	Cost of sales, operating	70
C	Gross profit (loss), operating	50
D	Abnormal amounts of wasted materials [Extension]	10

Footnote type	From	To
fact-explanatoryFact	D	B
fact-explanatoryFact	D	Fact_a

Table G4—Data a user would be able to extract from the tagged example disclosure

Abnormal amounts of wasted materials [Extension]	CU10
Explanatory facts	Cost of sales, operating: CU70 Included in cost of sales is an expense of CU10 for abnormal amounts of wasted materials.