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To Whom It May Concern:

RE: IFRS Accounting Taxonomy 2024 - Proposed Update 1, IFRS 18 Presentation and Disclosure in Financial Statements

We appreciate the opportunity to respond to this invitation to comment on the IFRS Accounting Taxonomy 2024 - Proposed Update 1, IFRS 18 Presentation and Disclosure in Financial Statements.

As the President and CEO, I am responding on behalf of XBRL US, a nonprofit standards organization, with a mission to improve the efficiency and quality of reporting in the U.S. by promoting the adoption of business reporting standards. XBRL US is a jurisdiction of XBRL International, the nonprofit consortium responsible for developing and maintaining the technical specification for XBRL (a free and open data standard widely used around the world for reporting by public and private companies, as well as government agencies). Our members include accounting firms, public companies, software, data and service providers, as well as other nonprofits and standards organizations.

We work closely with the IFRS Taxonomy, in our work with software providers that support IFRS filers, and in developing data quality validation rules that support issuers in creating consistent, usable data through their filings. XBRL US' Center for Data Quality has been supporting IFRS filers and vendors that work with them by creating and distributing freely available rules for IFRS filers since 2018.

This letter addresses specific questions posed in the survey corresponding to the invitation to comment.

Attributes on Concepts

We support the use of a line-item approach to identify the different categorizations defining the business activities of operating, financing, investing, tax and discontinued operations. We agree however, with the concerns raised by Zach Gast in his dissenting opinion in regard to identifying the category with which each line item is associated. To identify if a line item is operating, financing or investing we believe that the trait-based approach should be incorporated into the IFRS taxonomy.

This is being applied to the US GAAP Taxonomy using the metamodel taxonomy which associates respective traits to a concept. This makes it possible, for example, to identify those line items that are operating, investing, financing, income taxes, and discontinued operations.

The US GAAP meta model was first published in 2024 as a prototype for comment. The FASB is continuing this effort with the release of the 2025 US GAAP Taxonomy and is adding a significant number of traits to the taxonomy, to facilitate the identification and understanding of specific line items.

We encourage the IFRS team to use this mechanism to assign immutable attributes to specific line items in the taxonomy. The addition of these attributes makes it easier to:

- Find the appropriate concept,
- Create rules based on traits or attributes of concepts,
- Eliminate ambiguity about the meaning of a concept, and
- Enforce discipline in taxonomy development.

The specification defining traits is defined in the [link role registry](#) using the trait-concept arc role. This is currently at candidate release and is planned to be adopted as an acknowledged status.

The use of the XBRL properties mechanism using XBRL references should not be used to capture the properties of the line items. Because the properties defined in the IFRS 18 standard are immutable and are not context dependent. For example, a property such as expiration date of concept can change and is not a trait of the concept itself. The property mechanism has been used to support context specific information and traits do not. Secondly, traits support a class subclass mechanism that means the maintenance of the traits is more easily maintained. Thirdly, this is the mechanism that is being used in the US GAAP Taxonomy and we think it is important to represent metadata in a consistent manner between major accounting taxonomies.

Non-GAAP elements

The proposed approach uses a single generic element to represent management-defined performance measures (MPM). The taxonomy then uses a dimensional approach to distinguish between different types of measures, and the values associated with them.

A dimensional approach should not be used to define MPM's. Dimensional disaggregation should not be used to change the meaning of the line item or to define the meaning of a concept. Dimensions should be used to group facts together with similar attributes so that analysis can be performed within a constant dimensional construct such as doing calculations on values with the same period or evaluating values for the same segment. Using dimensions to define the attributes of a fact should be done in the line item. Using a dimensional approach as proposed will result in data that is difficult for users to interpret and represents an unexpected use of dimensions.

Filers should define extension elements to represent MPM's and should include calculation link base relationships to indicate how these measures relate back to the IFRS concepts.

Expenses by Nature

The proposed approach uses an expenses by nature axis to allow users to determine the nature of expenses by function. We agree that line items should not be used as members to identify expenses by nature. The proposed change should include a mechanism to relate the line-item expense by nature to the related expense by nature member, so it is clear which members are associated with each item. Different filers of financial statements could represent depreciation expense, for example using the depreciation line item or using the element Operating Profit (Loss) (see table E3) with the depreciation member. Linking the by nature member to the by nature line item would help to resolve this duplicate method of tagging for data users.

Secondly, we believe the taxonomy needs to implement supporting rules that ensure that expenses by nature cannot be used with members that appear on the expenses by nature axis.

We would be happy to discuss our comment or respond to any questions you may have. I can be reached at (917) 582-6159 or email Campbell.Pryde@xbrl.us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Campbell Pryde', written in a cursive style.

Campbell Pryde
President and CEO, XBRL US