



IFRS Foundation
Chairman of the Trustees
30 Cannon Street
London EC4M 6XH
United Kingdom

2 February 2016

Dear Sir,

Re: IFRS Taxonomy Due Process

BUSINESSEUROPE is pleased to respond to your request for views on the IFRS Taxonomy Due Process.

BUSINESSEUROPE considers that the IFRS Foundation is better suited for taking on the responsibility for the development of a common IFRS Taxonomy than are, for instance, national or international regulators.

BUSINESSEUROPE acknowledges that the Trustees have expressed the view that IFRS Taxonomy considerations should not dictate the standard-setting process. As we have stated in our comment letter on the Trustees' Review of Structure and Effectiveness, we fully support this view.

We therefore believe that, for the time being, all decisions and assessments that regard the IFRS Taxonomy should be handled at the technical staff level, and not involve the IASB Board or Board Members. We also think that the drafting of IFRS Taxonomy Updates should take place fully after the finalisation of new or amended IFRSs, and not simultaneously with the development of financial reporting standards.

Our detailed response to the questions raised is provided in the appendix to this letter.

Please do not hesitate to contact us should you wish to discuss these issues any further.

Yours sincerely,



Jérôme P. Chauvin
Deputy Director General

APPENDIX

Q1 The role of the IASB and the IFRS Taxonomy Review Panel within the review and approval of the content of the IFRS Taxonomy is described. Do you agree with the way in which the IASB and the IFRS Taxonomy Review Panel will be engaged and the degree of its involvement? Why or why not? If not, please state the reasons why you do not agree and any alternatives you would like us to consider.

BUSINESSEUROPE considers that the IFRS Foundation should retain the responsibility for developing and maintaining the IFRS Taxonomy. However, for the time being we do not agree with the proposed increased responsibilities for the Members of the IASB - either the whole board or a Review Panel consisting of a smaller group of Board Members - to formally approve and review updates of the IFRS Taxonomy.

IFRS Taxonomy-related issues should be kept separate from the standard-setting process as we fear that considerations that regard the Taxonomy may have a negative impact on the principle-based approach. In addition, as the IASB is operating under budgetary restrictions and tight time constraints, we believe that the priorities of the IASB are better directed towards more urgent matters rather than decisions regarding the IFRS Taxonomy. In our view, such matters can be handled by senior technical staff with suitable competence.

If, however, requirements for electronic filing in jurisdictions were to make use of IFRS Taxonomy mandatory in the future, the IFRS Foundation would need to review the issue again to ensure that a proper governance structure over the Taxonomy process is established within the IFRS organisation in, in parallel to the development of IFRSs.

Q2 The DPOC is proposing to maintain the existing process of public consultation on taxonomy content changes after the release of a final Standard. A Proposed Taxonomy Update will normally be released at the same time (or closely after) a final Standard is published and will normally have a comment period of 60 days. Do you agree with this? Why or why not?

To keep the standard-setting process unhindered by the development of IFRS Taxonomy, BUSINESSEUROPE believes that the drafting of a proposal for a Taxonomy Update should take place after the final Standard is issued. Accordingly, the current practice of undertaking the ITCG (IFRS Taxonomy Consultative Group) review of the proposed IFRS Taxonomy content after the finalisation of the new Standard should remain unchanged.



Q3 The DPOC is proposing that the publication of the IFRS Taxonomy Files should be an optional step for proposed content updates. This is a mandatory step under the current process. Publication of the IFRS Taxonomy Files will remain a mandated step for proposed technology updates and for the publication of the final IFRS Taxonomy update. Do you agree with these changes? Why or why not?

We believe that focusing more on the Taxonomy itself and less on technical issues related to XBRL is the right way forward. Therefore, we agree that IFRS Taxonomy Files shall be an optional step for proposed content updates.

Q4 Are there any other matters relating to our proposals for the IFRS Taxonomy due process that you wish to comment on, including matters that are not covered but that you think should be?

We have no further remarks or comments.

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