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Re: Invitation to comment *IFRS Taxonomy Due Process*

Dear Roger,

We are pleased to have the opportunity to provide our comments on your draft comment letter on the Invitation to comment *IFRS Taxonomy Due Process*.

Our detailed comments and responses are set out below.

Question 1

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.

We think that it is important that the IFRS Foundation itself continues to develop and to maintain an IFRS Taxonomy in order to ensure its quality and to protect the IFRS brand.

However, we reiterate our comments made with references to the Request for Views *Trustees' Review of structure and Effectiveness: Issues for the Review* that the Taxonomy should not be integrated in the IASB standard-setting process because we see the risk that this may take the IASB away from a principle based approach when it develops accounting standards, in particular in the area of disclosures. Therefore, we fully support the Trustees' statement that Taxonomy considerations should not dictate the standard-setting process.

Having said that, we agree with both of the involvement proposals by which the IASB should approve the Taxonomy reflecting new or amended IFRSs and the IFRS Taxonomy Review Panel should review the taxonomy relating to common practice. In this manner, we think that the risk that the IFRS Taxonomy unintentionally interprets the standards can be avoided and its quality can be ensured.

Question 2

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?

In the past, we were not in favour of the inclusion of the consultation of the Taxonomy as part of the Exposure Draft process. Therefore, we fully agree with the proposal. We think referring to the final Standard is the most appropriate moment to consult on the proposed Taxonomy Update.

Question 3

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 agree with the proposal. However, the consultation on the IFRS Taxonomy Files does not seem a matter generally included in the competence of an accounting standard-setter.

Question 4

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?

No other comments

If you have any queries concerning our comments, please do not hesitate to contact us.

Yours sincerely,

Angelo Casò
(Chairman)