
 **INVITATION TO COMMENT**

Issued: May 10, 2017
Comments Due: June 15, 2017

U.S. GAAP Financial Reporting Taxonomy

Efficiency and Effectiveness Review

Comments should be addressed to:

Technical Director
File Reference No. 2017-230

Notice to Recipients of This Invitation to Comment

This Invitation to Comment has been prepared as a basis for a public roundtable. The Financial Accounting Standards Board has not reached any conclusions about the issues presented herein. Information about the public roundtable is on page 4. We request comments by June 15, 2017, by one of the following methods:

- Emailing comments to director@fasb.org, File Reference No. 2017-230
- Sending a letter to “Technical Director, File Reference No. 2017-230, FASB, 401 Merritt 7, PO Box 5116, Norwalk, CT 06856-5116”
- Using the electronic feedback form available on the FASB website at [Exposure Documents Open for Comment](#).

All comments received are part of the FASB’s public file and are available at www.fasb.org.

A copy of this Invitation to Comment is also available at www.fasb.org.

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Purpose of This Invitation to Comment

The purpose of this Invitation to Comment (ITC) is to aid the Financial Accounting Standards Board (FASB) in its assessment of the efficiency and effectiveness of the GAAP Financial Reporting Taxonomy (GAAP Taxonomy). By providing elements to be tagged in a standard, structured, and interactive format, the GAAP Taxonomy provides a means for public companies to report financial information in a digital format that is accessible to all market participants and meets the regulatory requirements of the U.S. Securities and Exchange Commission (SEC). The continual improvements to the development and maintenance of the GAAP Taxonomy are intended to increase the accuracy and usability of the financial information and reduce the time and costs of processing that information.

The FASB is conducting the assessment of the GAAP Taxonomy in response to the SEC's request on January 31, 2017.¹ The staff is soliciting broad stakeholder feedback on which aspects of the GAAP Taxonomy and supporting processes, if any, should be improved and their relative priority. The FASB will develop and report to the SEC its findings and recommendations on the GAAP Taxonomy in approximately six months, as requested by the SEC.

Background

In January 2009, the SEC issued the final rules, "Interactive Data to Improve Financial Reporting,"² (SEC Interactive Data Reporting Rules) that require public companies and foreign private issuers (registrants) to provide financial statement information in a structured and interactive format using the eXtensible Business Reporting Language (XBRL). The SEC Interactive Data Reporting Rules are intended to improve the usefulness of that information to investors, and they apply to registrants that prepare their financial statements in accordance with generally accepted accounting principles (GAAP) as well as registrants that prepare their financial statements using International Financial Reporting Standards (IFRS Standards), which are issued by the International Accounting Standards Board (IASB). The structured and interactive data are provided as an exhibit to SEC filings, as well as to transition reports for a change in fiscal year.

The FASB assumed the ongoing development, maintenance, and publication of the GAAP Taxonomy in 2010 to keep it current with GAAP. That allowed the FASB staff to integrate the process used to develop the GAAP Taxonomy with the FASB's development of Accounting Standards Updates (ASUs) and to work

¹United States of America Before the Securities and Exchange Commission "Order Regarding Review of FASB Accounting Support Fee for 2017 Under Section 109 of the Sarbanes-Oxley Act of 2002" [Securities Act of 1933, Release No. 33-10297/January 31, 2017; Securities Exchange Act of 1934, Release No. 34-79912/January 31, 2017]

²<https://www.sec.gov/rules/final/2009/33-9002.pdf>;

with technical corrections <https://www.sec.gov/rules/final/2009/33-9002a.pdf>

closely with the SEC, investors, issuers, accounting firms, and other stakeholders to develop high-quality GAAP Taxonomy updates.

The major responsibilities assumed by the FASB that have a direct effect on a public company's reporting of its information in a structured and interactive format include:

1. **Keeping the GAAP Taxonomy current and aligned** with (a) the *FASB Accounting Standards Codification*[®] (Codification), including SEC material contained in the Codification, (b) disclosures commonly made in practice and derived from the Codification that are consistent with GAAP and reflect common practice, and (c) technical corrections based on stakeholder feedback.
2. **Publishing the revised GAAP Taxonomy as an Annual Update** with materials including taxonomy documentation and technical guides and other documents to support the annual transition, ongoing implementation, and use of the GAAP Taxonomy for individuals and entities that use GAAP.
3. **Communicating the changes in the GAAP Taxonomy** by delivering a set of release notes with each Annual Update that documents the changes between the current and the previous GAAP Taxonomy to assist companies and users in migrating to the correct version of the GAAP Taxonomy.
4. **Ensuring an open process** throughout the year that includes the active participation of any interested parties, including a formal annual public comment period (a period between 30–60 days).
5. **Testing** each Annual Update with a variety of validation checks and test cases to ensure compliance with the applicable XBRL specifications, GAAP Taxonomy architecture, and EDGAR Filer Manual rules.

The FASB makes available the draft Annual Update for public comment in late August or early September of each year and delivers the proposed final Annual Update to the SEC by mid-December. Subject to the timing of receipt of the SEC staff's final acceptance and/or final comments on an Annual Update during the following calendar year, the FASB will make that Annual Update publicly available in a timely manner. The acceptability of each Annual Update for SEC filing purposes is determined by the SEC staff.

Although the GAAP Taxonomy was developed and designed to support the SEC Interactive Data Reporting Rules, it has been used for purposes beyond its original intent. Some of those uses include:

1. That by foreign private issuers that prepare their financial statements in accordance with IFRS Standards. The GAAP Taxonomy contains elements to meet certain SEC requirements for registrants.³
2. That by certain regulatory purposes (such as a project initiated by the U.S. Department of Energy to set data standards for the solar industry) or business processes (such as a project for the surety underwriting process to make the work-in-progress report and support financials that are computer-readable).
3. That by registrants for other purposes, such as tagging financial statement facts included in earnings releases, as posted on those registrants' websites.⁴

The FASB Taxonomy staff does not have direct involvement with those projects⁵ and does not receive input from those projects on the development and maintenance of the GAAP Taxonomy.

Overview of the Invitation to Comment

This ITC describes two areas:

1. Potential improvements to the usability of the GAAP Taxonomy
2. Potential improvements to the processes that support GAAP Taxonomy-related activities (GAAP Taxonomy Processes).

These two areas describe potential issues and related potential improvements. Respondents should consider both the potential costs to implement the changes and the potential benefits of the changes in assessing the aspects in each review area. The FASB staff also is interested in hearing other suggestions that could help improve the efficiency and effectiveness of the GAAP Taxonomy.

Please note that the terms in "Appendix A: Glossary" are in **bold** type the first time they appear in the review areas.

Questions for Respondents

Stakeholders are invited to comment on all matters in this ITC, particularly on the areas and questions within this document and on the priority of making improvements to those areas that are included in this ITC (or others you identify).

³In March 2017, the SEC made available the IFRS Taxonomy so that the foreign private issuers that prepare their financial statements in accordance with IFRS Standards may submit their reports in a structured and interactive format. <https://www.sec.gov/info/edgar/edgartaxonomies.shtml#IFRS2016>

⁴For example, Microsoft <https://www.microsoft.com/en-us/Investor/earnings/FY-2017-Q2/income-statements?fi=1>

⁵The FASB Taxonomy staff participates as an observer on the surety underwriting project and may do the same on other efforts as the need arises.

However, respondents may need specific knowledge on and experience with the GAAP Taxonomy to provide their comments on the GAAP Taxonomy usability discussed in Review Area 1. While it is helpful to receive feedback on all the questions in this ITC, comments also are requested from those who are only interested in a specific area of this ITC. Comments are most helpful if they identify and clearly explain the review area and/or question to which they relate.

Public Roundtable Meeting

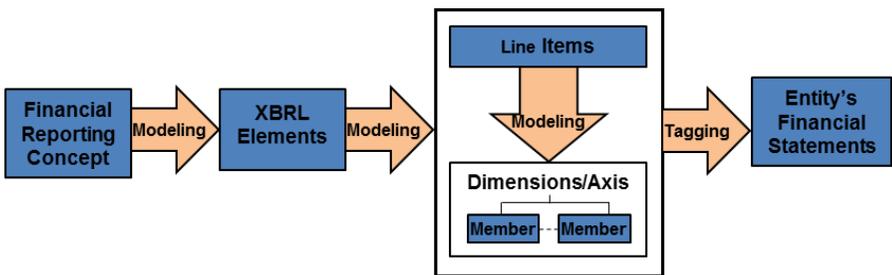
The FASB plans to hold a public roundtable meeting to discuss the feedback received on this ITC on Tuesday, July 18, 2017. The purpose of the roundtable meeting is to facilitate a dialogue among stakeholders and the FASB about the ways to improve the efficiency and effectiveness of the GAAP Taxonomy. To ensure that the dialogue includes a broad perspective, the FASB plans to seek participants for the meeting that represent a wide spectrum of stakeholders that have an interest in structured digital reporting, including financial statement users, data aggregators, auditors, XBRL software vendors and service providers, preparers, and others.

Any individual or organization that would like to participate in the meeting should notify the FASB by sending an email to director@fasb.org and submitting its written comments on this ITC by June 15, 2017. The roundtable meeting can accommodate a limited number of participants. Depending on the number of responses received, the FASB may not be able to accommodate all requests to participate.

Review Area 1—GAAP Taxonomy Usability

- 1.1. Under this review area, potential improvements to increase usability of the **GAAP Taxonomy** are analyzed from three aspects:
 - a. Design of the GAAP Taxonomy
 - b. GAAP Taxonomy reference to the Codification
 - c. Implementation resources supporting registrant use of the GAAP Taxonomy.
- 1.2. The following chart provides an overview of the interrelationship of the key items used in the GAAP Taxonomy. The definitions of these items and other terms used in this ITC are provided in Appendix A.

U.S. GAAP Taxonomy Key Terms Overview

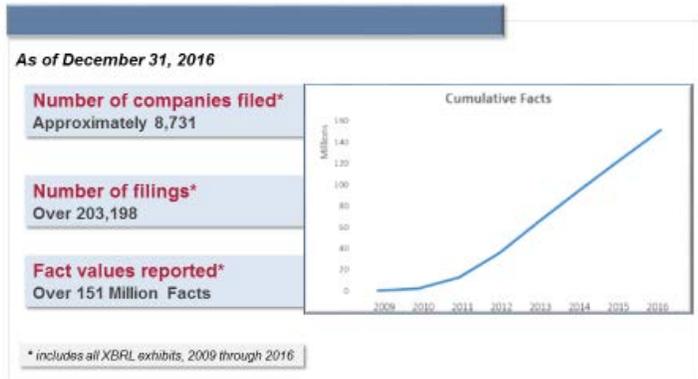


Design of the GAAP Taxonomy

Background

- 1.3. From inception of the SEC Interactive Data Reporting Rules, over 151 million discrete **facts** have been tagged and made available using the GAAP Taxonomy. The abundance of the data set has significantly expanded the public structured digital data that are now available.

XBRL Filings with SEC



- 1.4. This data set is consumed by data aggregators in developing their own database that accelerates their time to market and provides broader and deeper coverage to more effectively meet market needs. As an example, Bloomberg consumed more than 1.08 million facts from the 2016's 10-K filing of 3,196 registrants (of which 1,430 had revenue under \$250 million). Investor analyst firms and analytical tools vendors also consume this data set largely because it exposes facts that were not previously cost-effective accessible (for example, unrepatriated earnings of foreign subsidiaries) by providing granular data from the notes to the financial statements.
- 1.5. In the GAAP Taxonomy, there are approximately 12,800 **elements** available for registrants to tag their reported facts. Out of these elements, more than 7,000 can be used to tag monetary facts. There are another 3,000 elements used for organizational purposes. The size of the GAAP Taxonomy was influenced by the fact that it was originally built to (a) include all necessary elements to meet GAAP disclosure requirements and (b) cover common reporting practice. The purpose of including common reporting practice elements in the GAAP Taxonomy is to provide registrants with elements that correspond to reporting diversity and minimize **entity-specific disclosures (ESDs)**, not to force uniform reporting.
- 1.6. Despite the significant quantity of the data that are available, concerns have been expressed that the quality of the data can be improved, perhaps in significant ways. Based on the outreach performed by the

FASB Taxonomy staff in 2014 with more than 40 stakeholders (including registrants and users), the following topics have been given top priority to improve the usability of the GAAP Taxonomy.

Top Registrant Priorities	Top Data User Priorities
<ul style="list-style-type: none"> • GAAP Taxonomy navigation concerns 	<ul style="list-style-type: none"> • Inconsistent modeling across the GAAP Taxonomy
<ul style="list-style-type: none"> • Inconsistent modeling across the GAAP Taxonomy 	<ul style="list-style-type: none"> • Multiple ways to tag the same facts
<ul style="list-style-type: none"> • Multiple ways to tag the same facts 	<ul style="list-style-type: none"> • Extension management • Granularity

- 1.7. Many of these concerns can be traced back to the initial taxonomy development that was tested, by necessity, against a limited amount of data in a voluntary filing program. This testing could not forecast the complexity, variability, and consequences of over 6,000 registrants and multiple service providers using the GAAP Taxonomy.

- 1.8. Although many of the issues only could be solved by revisiting the designs and guidelines established by the SEC Interactive Data Reporting Rules, the FASB Taxonomy staff made improvements within its responsibility scope. Those improvements included tactical steps and strategic changes to alleviate the issues identified from stakeholder feedback, as well as steps related to other FASB Taxonomy staff observations. The tactical and other steps included:
 - a. A simplification initiative targeted on areas such as low-use elements, modeling inconsistencies, and multiple ways of tagging the same facts
 - b. Technical improvements
 - c. Implementation resources supporting registrant use of the GAAP Taxonomy
 - d. Codification reference improvements
 - e. Topical focus projects
 - f. Development of design principles
 - g. Remodeling calculation hierarchies.

From a strategic perspective, with input from the Dimension Modeling Working Group, the FASB Taxonomy staff made substantial progress in improving and codifying design principles that provide fundamental guidelines for the modeling of the GAAP Taxonomy.

- 1.9. Based on the criteria established at the beginning of the initial projects, the steps to address the feedback from stakeholder outreach have essentially been completed. For example, the project of removing low-use elements was completed in all material areas in the 2016 GAAP

Taxonomy Annual Update. However, several design issues remain unresolved and inconsistencies continue to exist in the GAAP Taxonomy. Without further development of design principles and disruption to the GAAP Taxonomy, additional progress in this area is limited. Other projects are underway, but the timing of their completion is dependent on the availability of additional resources.

- 1.10. As a result, the GAAP Taxonomy, which is based on a much larger data set, continues to experience the following issues that negatively affect data quality:
 - a. Elements that have zero to minimal usage
 - b. **Dimensions** used in multiple ways
 - c. Elements that provide multiple ways to tag the same facts
 - d. Modeling inconsistencies across the GAAP Taxonomy topics
 - e. Unrestrained and unconnected ESDs.
- 1.11. The above issues may affect an auditor's ability to provide assurance on **XBRL Reports**. Future developments or changes in regulatory requirements relative to XBRL data could increase the urgency for others to reassess auditor assurance on the XBRL Reports.

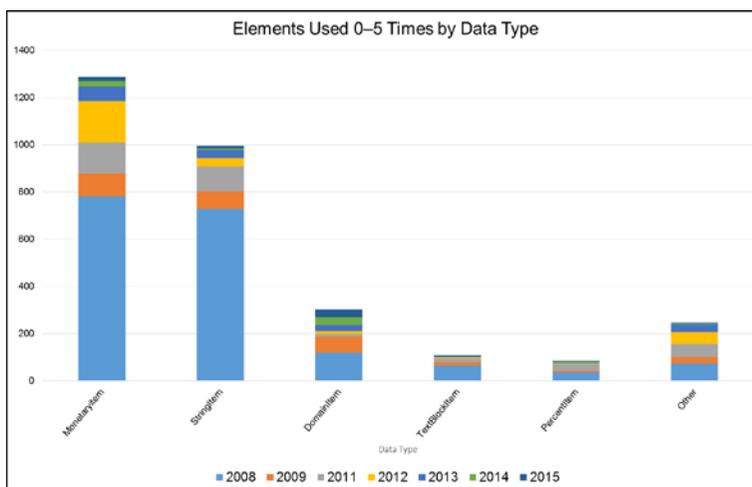
Potential Issues

Elements that have zero to minimal usage

- 1.12. Stakeholders have noted that there are a large number of elements not used in the GAAP Taxonomy. Registrant feedback indicates that it is getting more difficult to locate the correct element because of the size of the GAAP Taxonomy and the multiple choices between elements with subtle differences. Data user feedback was mixed. With the understanding that increased granularity creates the potential for more information but increases the risk of less uniformity in practice, different types of users have different preferences. Some have indicated that the GAAP Taxonomy should have fewer elements or a normalized data set, while others expected the GAAP Taxonomy to grow over time to accommodate specificity.
- 1.13. The tagging of narrative information is not required. However, the GAAP Taxonomy must cover all GAAP requirements, which includes text information even though those elements may have low use. For example, "Credit Derivative, Triggering Event," a string-item datatype, is defined in the GAAP Taxonomy as "description of the events or circumstances that would require the seller to perform under the credit derivative," and is a required GAAP disclosure (see paragraph 815-10-50-4K(a)(3) of the

Codification). The SEC rules permit, but do not require, *discrete* tagging of this text. This text is required to be tagged using **text blocks** available in the GAAP Taxonomy as part of an entire note disclosure. Many elements that are string-item datatypes are included in the GAAP Taxonomy because they relate directly to GAAP requirements, but are not required to be tagged under the SEC Interactive Data Reporting Rules.

- 1.14. The chart below illustrates the analysis for elements that have been used zero to five times, classified by the year the element was added to the GAAP Taxonomy and datatype.⁶ The majority of these low-use elements were created when the first GAAP Taxonomy was developed in 2008. Elements added since 2013 are primarily driven by consequential changes from improvements to GAAP or remodeled topics based on the GAAP Taxonomy staff’s review of empirical data.



- 1.15. In the 2015 and 2016 GAAP Taxonomy Annual Updates, approximately 660 elements were identified as low-use elements⁷ and, therefore, were removed. The objective was to remove “clutter” and choices that would

⁶Usage analysis is based on 2015 10K filings.

⁷Elements that had been used by filers three times or less were researched and reviewed for both appropriate use and for whether they were related to specific GAAP or SEC requirements. Only elements with monetaryItemType, stringItemType, or textBlockItemType data types were reviewed. New elements added in recent GAAP Taxonomy versions were excluded.

not be sufficiently unique to be meaningful from a data user perspective. More low-use elements were reviewed by the GAAP Taxonomy staff for removal, but they were ultimately retained. The reasons they were retained include:

- a. The elements were needed to meet disclosure requirements under GAAP.
- b. The removal of the elements was deferred as part of a topical project.
- c. There were no adequate substitutes for the elements in the GAAP Taxonomy (which would not result in a loss of information based on applying SEC element selection criteria as specified in the EDGAR Filer Manual).

Considering that removing these low-use elements would most likely result in an inappropriate element selection or a custom tag creation, the FASB Taxonomy staff determined, in consultation with the Taxonomy Advisory Group (TAG), to retain these low-use elements.

- 1.16. This dilemma is best understood through an example. The GAAP Taxonomy contains more than 200 different monetary elements to tag concepts of revenue; some of those elements have minimal usage. For example, the “Propane Revenue” element, which discloses revenue generated from the sale of propane gas, was used by six registrants in 2015. If any registrants only had propane revenue, they would not use a higher order element such as “Revenues” in their filing according to the SEC EDGAR Filer Manual 6.6.26:

When there is a choice among different elements that have definitions consistent with a set of facts in one or more periods, use the element with the narrowest definition.

- 1.17. If the “Propane Revenue” element was removed from the GAAP Taxonomy, registrants would be left with two choices. They could either use “Revenues,” which may result in the loss of the more specific information about their revenue, or they could create a custom tag that describes the more specific nature of their revenue. Some data aggregators have said that if the registrant creates a custom tag (ESD), the data may be lost for this registrant in an automated consumption process. Data users with automated consumption processes often do not have the time or resources to handle such special cases. However, some data aggregators stated that they are willing to take the one-time effort to map these ESDs against their internal systems as long as the element has an ongoing usage.

Dimensions used in multiple ways

- 1.18. Dimensions have been used in the GAAP Taxonomy primarily to disaggregate **report-wide values**. For example, dimensions are used to report the disaggregation of the concept of “net amount of property, plant, and equipment” by classes such as land, building and improvements, equipment, and so forth. Each class represents a portion of the total.
- 1.19. Dimensions also have been used to convey other properties of a financial statement fact. For example, the new Codification guidance on leases (Topic 842) requires that if the lessee does not present its right-of-use assets separately in the balance sheet, it must disclose which **line items** include the asset. The GAAP Taxonomy includes “Balance Sheet Location [**Axis**]” that encompasses **members** serving as proxies for the actual balance sheet primary line items. “Balance Sheet Location [Axis]” is not intended to provide a disaggregating property.
- 1.20. Data aggregators have stated that using dimensions for disaggregation and nondisaggregation (that is, properties of facts) makes the data more difficult to sort and process from an automated consumption perspective. They would prefer line items over dimensions and simpler **hypercubes**. Using the extensible list element allows the registrant to identify by element name the primary line item where the balance is reported. It is a much tighter linkage.
- 1.21. Feedback from the Dimension Modeling Working Group as well as other stakeholders indicates that dimensions only should be used (with a few exceptions) to provide disaggregated information that represents portions of a total amount. Other properties of the reported facts should be provided as line items, including extensible list line items. These nondisaggregating properties should not be tagged using dimensions because they represent information about the portions and do not represent further disaggregating information.
- 1.22. Extensible lists provide a mechanism to convey nondisaggregating properties without using dimensions and allow reuse of common properties as members. Extensible lists were introduced in the 2017 GAAP Taxonomy Annual Update. The use of an extensible list starts with a GAAP Taxonomy primary line item element in which the reported fact is selected from a list of predefined choices. The registrant can add to this list if necessary, but the list’s core properties should be clearly based on the primary line item, the existing list, and the definition the registrant provides. For example, a registrant can disclose the credit rating published by the various agencies for its debt. In another disclosure, that registrant also disaggregates the value of the collateral received from its

counterparties by the collateral's credit ratings. In the first example, the rating of "AA" is a fact of the reporting entity. In the second example, the rating of "AA" is a disaggregating property of the collateral. Additional mechanisms may need to be included in the GAAP Taxonomy to further eliminate multiple ways of using dimensions.

Elements that provide multiple ways to tag the same facts

- 1.23. The GAAP Taxonomy contains multiple ways of tagging the same facts. This is largely a result of having both line items and dimensions to convey the same information. For example, the concept of "gross buildings and building improvements" can be tagged using the line item element of "Buildings and Improvements, Gross" or the line item element of "Property, Plant and Equipment, Gross" with elements for the **dimensional structure** using "Property, Plant and Equipment, Type [Axis]" and "Building and Building Improvements [Member]."
- 1.24. This situation (and others like it) exists because registrants have been discouraged from using most dimensions on their primary financial statements and some registrants report components of "gross property, plant and equipment" on their balance sheet. Dimensions are most commonly used for disclosures in which the taxonomy developers cannot reasonably anticipate all the components of a given disaggregation for a report-wide value. A disaggregation can be modeled with a connection to the core concept reported on the primary line item element, which may be reported on the financial statements, such as "Property, Plant and Equipment, Gross."
- 1.25. The continuing existence of two ways to tag the same facts results in data inconsistencies between registrants that adversely affect the users' ability to directly analyze the data. The users must design their processes to accommodate both ways of tagging the same information across all registrants.

Modeling inconsistencies across the GAAP Taxonomy topics

- 1.26. The GAAP Taxonomy contains modeling approaches that are inconsistent across topics. For example, in the topic for fair value disclosures there is a dimension named "Asset Class [Axis]" that has members on it such as "Cash and Cash Equivalents [Member]" and

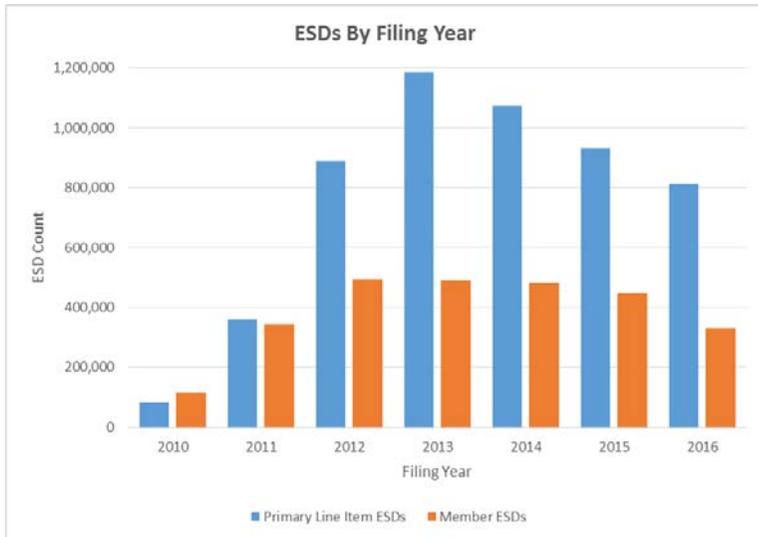
“Accounts Receivable [Member]” and “Assets [Member]” that are all modeled as line items in other disclosures.

- 1.27. The modeling inconsistencies primarily result from (a) modeling that was established when the original GAAP Taxonomy was developed, (b) the dimension versus line item conflict, and (c) prospective implementation of better modeling methods. When better modeling methods are developed, the FASB Taxonomy staff has elected, in consultation with the TAG, to implement them prospectively for new ASUs or focused topics rather than for all the topics across the GAAP Taxonomy. This implementation method is less disruptive to taxonomy developers and users but results in inconsistencies between old and new topics.
- 1.28. Inconsistencies between topics can be confusing for registrants and service providers and may result in them analogizing to new modeling approaches in reviewed topics to topics that have not yet been remodeled. By analogizing, registrants might have to create ESDs that lead to less comparability for users.

Unrestrained and unconnected ESDs

- 1.29. The SEC Interactive Data Reporting Rules were designed to allow for ESDs commonly known as extensions or custom tags. ESDs are the reporting concepts that are sufficiently specific to a registrant and could not be reasonably anticipated for inclusion in the GAAP Taxonomy. They are not commonly reported and are usually specific to one or few entities.
- 1.30. The GAAP Taxonomy was not intended, or even able, to cover all the elements that a registrant may need to meet the reporting requirements under GAAP that is not prescriptive or form based. Therefore, registrants have a relatively wide latitude in how they meet those requirements.
- 1.31. The following chart shows ESD counts over the last seven years separated by primary line items and members.⁸ Members are commonly—although not always—used for ESDs so they are generally expected. Primary line item ESDs have decreased by 13 percent in the last 2 years and by 9.5 percent from 2013 to 2014. The first year that all registrants filed with full detail tagging was in 2013, which contributed to the steep increase in the earlier periods.

⁸These counts are for ESD elements only and do not include multiple occurrences for individual registrants in the same filing or over the period covered.



- 1.32. The existence of ESDs has been the primary complaint from data aggregators because they create obstacles in efficiently consuming such data without human intervention. Some stakeholders have stated that it is necessary (a) to allow for the use of entity-specific extensions that provide the investors with meaningful financial information for their analyses and (b) to develop “an extension anchor” that is a technical connection between extension elements to official or basic concepts applied in the GAAP Taxonomy. Such technical connections would allow for automated analyses of entity-specific extensions.
- 1.33. With the current GAAP Taxonomy architecture, mechanisms are provided to “anchor” ESDs of a certain type including dimensions, extensible lists, and to a lesser extent, calculation hierarchies. ESDs are anchored by a dimension in the GAAP Taxonomy when the members of that dimension are ESDs, such as in segment reporting. Similarly, extensible lists anchor the ESD that is reported as a value for the GAAP Taxonomy line item element. Calculation hierarchies provide mathematical relationships that relate elements, which can include ESDs, to each other in a simple summation hierarchy.
- 1.34. However, not all ESDs are anchored using the existing mechanisms. Unanchored ESDs make it difficult for data users to programmatically consume those facts. The programmatic difficulty may result in either additional costs to research what the facts relate to or the information could go unused, which leads to incomplete data sets.

Potential Improvements

- 1.35. The FASB Taxonomy staff identifies and codifies design principles for the GAAP Taxonomy. As part of that effort, the FASB Taxonomy staff observed that a benefit could be derived from improving the GAAP Taxonomy's current framework of fundamental design principles. However, support from the SEC and stakeholders may be needed to fully accomplish the potential improvements.
- 1.36. Two proposed solutions that would be part of the fundamental design framework are identified in the following table to address the potential issues discussed above. The matrix identifies how the solutions contribute to addressing each issue as primary (P) or secondary (S). Each solution may address multiple issues.

		Issues Addressed				
		Low Element Usage	Dimensions Used in Multiple Ways	Multiple Ways to Tag the Same Facts	Modeling Inconsistencies across GAAP Taxonomy	ESD
Proposed Solutions	Use dimensions on primary financial statements	S		P	S	S
	Dimensions for disaggregation only		P	P	P	

Use dimensions on primary financial statements

- 1.37. Although registrants have been discouraged from using most dimensions on their primary financial statements, there are many scenarios in which using dimensions on primary financial statements would be more efficient and effective. The example discussed in paragraphs 1.23 and 1.24 for "Property, Plant and Equipment" is a good case for using dimensions on the balance sheet. The common presentation on the balance sheet is "Property, Plant and Equipment" gross to net, which can be included using the three elements (or just net) for gross, accumulated, and net, with any disaggregation of those amounts modeled and tagged using the corresponding dimension for the disclosure.

Property, Plant and Equipment, Type [Axis]
Property, Plant and Equipment, Type, *Members*
Property, Plant and Equipment, Gross
Accumulated Depreciation, Depletion and Amortization,
Property, Plant and Equipment
Property, Plant and Equipment, Net

1.38. Advantages of this proposed solution include the following:

- a. Eliminating multiple ways of tagging “Property, Plant and Equipment”. For example, a breakdown of “Property, Plant and Equipment” in a disclosure that includes facts for “Buildings and Improvements, Gross” would be tagged using the primary line item “Property, Plant and Equipment, Gross” and dimensionally qualified with “Property, Plant and Equipment, Type [Axis]” and “Building and Building Improvements [Member]” regardless of whether it is on the balance sheet or in a disclosure.
- b. Reducing the number of elements by deleting primary line items from the GAAP Taxonomy that are redundant with members. As in the “Property, Plant and Equipment” example, the dimension and member combination are used along with the proper line item to tag the fact. The existing primary line item for “Buildings and Improvements, Gross” would be removed from the GAAP Taxonomy.
- c. More effectively containing ESDs in the GAAP Taxonomy and eliminating them on the primary financial statements because they would be expected as members rather than primary line items on the primary financial statements or even in the disclosures.
- d. Reducing modeling inconsistencies that result from using primary line items in a topic or on a statement but using dimensions elsewhere. For example, stockholder equity as reported on the balance sheet may include separate primary line items for common stock value and shares, additional paid-in capital, accumulated other comprehensive income, retained earnings, and others while the statement of shareholders’ equity uses a dimension structure for all these items.

1.39. Disadvantages of this proposed solution include the following:

- a. If a report-wide value is not provided for the primary line item, this situation can result in an inconsistency for the calculation in which the primary line item participates. The calculation inconsistency could be alleviated with a rule change requiring that a report-wide value be included for any dimension used on the primary financial statements. Absent a rule change, the calculation inconsistency could be partially alleviated by restricting the use of dimensions to disaggregation.
- b. A concern about using dimensions on the primary financial statements is that registrants will overuse dimensions, making the data very

abstract to consume. For example, a registrant using dimensions that provides attributed information on the facts but not on disaggregation causes confusion for data users in identifying that the attributed information is nondisaggregating. This concern is alleviated by modeling in extension taxonomies that follow the design principles of the GAAP Taxonomy and using dimensions for disaggregation.

- c. In those cases in which a registrant discloses multiple components of “Property, Plant and Equipment” on the face of the balance sheet, using a dimension and members to tag these facts may result in a visual mismatch between the tagged data and the traditional presentation. While this visual mismatch might be perceived as a concern, it is nothing more than a presentation issue and has no effect on the data that the user sees.

- 1.40. An alternative to permitting the use of dimensions on the primary financial statements may be to identify all primary line items that have a corresponding dimension-member combination and somehow limit their use to the financial statements. Another approach is to “map” these items to each other and include the line items and dimension-member combination relationships in the GAAP Taxonomy. Users could then see the modeling as equivalent. This alternative would partially alleviate one of the symptoms from the issue of multiple ways of tagging while not gaining any of the other benefits.

Dimensions for disaggregation only

- 1.41. As discussed in paragraphs 1.18 and 1.19, although dimensions are used primarily for disaggregation, they also have been used to describe other nondisaggregating properties of the facts. On the basis of a consultation with the TAG and the Dimension Modeling Working Group, the FASB Taxonomy staff believes that allowing dimensions only used for disaggregation would be a best practice going forward, considering stakeholder feedback and the introduction of extensible lists to contain these other properties.
- 1.42. The benefits of this proposed solution include the following:
 - a. A simplified dimensional modeling from reducing what dimensions would be used for. Data users would know that dimensions are providing a further disaggregation of a fact, but not additional information about the fact.
 - b. Primary line items over dimensions. Feedback from data users has indicated that they prefer primary line items when programmatically consuming the data.

- c. Simpler hypercubes with fewer dimensions. Feedback from data users has indicated that multiple dimensions on one fact makes it harder to programmatically consume the data and understand what is a disaggregation of the value.

1.43. This proposed solution has some disadvantages:

- a. Considering that the current approach of adopting modeling changes prospectively for new ASUs or focus topics, the FASB Taxonomy staff is concerned that before all topics are addressed for the modeling changes, this potential solution would result in a major change in practice and may increase modeling inconsistencies in practice. This potential solution would require making all changes in a single GAAP Taxonomy Update that would have a significant effect on stakeholders, particularly registrants and users, and require more FASB resources in the short term or holding off adoption until all changes are identified and prepared for a single release.
- b. Some users are less concerned about using dimensions for these other nondisaggregating properties and have suggested that they can work with the current dimensional model over this potential solution.

1.44. An alternative to allowing dimensions only used for disaggregations may be to continue with the current modeling practice while working with XBRL International and the SEC to develop an acceptable technical method to distinguish disaggregation dimensions from dimensions used for other purposes. This alternative would make the structured data easier to sort and process from an automated consumption perspective while not adding a significant burden on registrants to implement the changes. However, the time needed to fully develop this alternative in a technologically feasible way would be time consuming and may not be workable.

Questions for Respondents

Question 1: Should dimensions be used in tagging the primary financial statements?

Question 2: Should dimensions be primarily used for disaggregation, with a limited set of known exceptions?

Taxonomy References to the Codification

Background

- 1.45. The GAAP Taxonomy was initially built with a view that registrants would find the appropriate elements by navigating through the GAAP Taxonomy rather than starting from the Codification. This practice also is supported in the SEC EDGAR Filer Manual element selection criteria that list references last rather than first in order of precedence.⁹
- 1.46. Stakeholders have suggested that selecting the elements of the GAAP Taxonomy should be based on the reporting requirements in the Codification. A more efficient and accurate element selection would be ensured and fewer extensions or incorrect selections would be produced, if the registrants started with the specific Codification requirement as referenced in the GAAP Taxonomy and were guided to appropriate elements from that source.
- 1.47. Over the years, the FASB Taxonomy staff has been building the GAAP Taxonomy to include (a) elements that cover the reporting requirements in the Codification and (b) related supporting references to help registrants select elements that meet these requirements.
- 1.48. In 2015, the FASB Taxonomy staff began a reference improvement project to improve the usability of references for element selection. The reference project will be completed in phases. In the 2017 GAAP Taxonomy, the FASB Taxonomy staff removed glossary terms that were not as helpful as references and broadened references to a topic or topic/subtopic for text blocks that are intended to tag the entire note in the financial statements. Additionally, references that were external to the Codification and redundant with Codification references were eliminated.
- 1.49. Future phases of the project include:
 - a. Reviewing the requirements in the Codification by paragraph to ensure coverage in the GAAP Taxonomy

⁹EDGAR Filer Manual (Volume II) EDGAR Filing (Version 40), 6.6.29:

When choosing the most appropriate element for facts in one or more periods, the element's xbrli:periodType attribute takes precedence over the type attribute, which takes precedence over the element's documentation string if present, which in turn takes precedence over the label string, which in turn takes precedence over link:reference elements.

- b. Reviewing elements in the GAAP Taxonomy without references to the Codification
- c. Reviewing the appropriateness of existing references.

Detailed reviews of references by Codification Topic will be completed as part of each topical review project by the FASB Taxonomy staff.

Potential Issues

1.50. The following reference-related issues have been noted:

- a. It is uncertain what reference may be appropriate for dimension and member elements because they must be used in combination with primary line items to tag facts. The reference alone may be inadequate to convey which combination of a line item and dimensional structure is appropriate.
- b. There may be common reporting practice elements that exclude Codification references but are related to a topic. These elements are unlocatable by Codification reference and may be overlooked when selecting elements.
- c. There are the GAAP Taxonomy elements that are not specific to a topic, such as "Range [Axis]", and are used broadly across many topics. These elements are unlocatable by Codification reference, and assignment to a topic might not be appropriate.
- d. Some disclosure requirements are not specific about numerical values and if reported would be required to be tagged in structured digital reporting. The requirements may include language such as "describe the nature or terms" that may result in numerical values being disclosed. These requirements are difficult to anticipate when modeling the GAAP Taxonomy.

Potential Improvements

1.51. The following potential improvements have been identified to assist with the elements reference:

- a. Apply the same Codification reference for dimension and member elements that are specific to a line item element that has a specific Codification reference. For dimension and member elements that are related to a limited number of topics, the reference for those topics could be added.
- b. Use the Codification reference parts (with a different name) to connect the common reporting practice elements with the related disclosure requirement. For example, a tabular presentation may not be required by the Codification, but may be a common reporting practice for a disclosure. The table text block element could contain

the Codification reference parts with the name indicating its origin from common reporting practice instead of only the Codification. That would leverage the search function available for **Inline XBRL**¹⁰ formatted documents. It also would make it possible for registrants to find data for a specific topical disclosure, including common reporting practice elements, using the Codification reference.

- c. Use a Taxonomy topic reference such as 9999 for elements with broad applicability to indicate they are unspecified topically and are intended for use with multiple topics. Adding references to all elements used in tagging facts in structured digital reporting may assist in element selection even with a broad topic designation that indicates these elements are usable throughout topics.
- d. Conduct a timely post-implementation review of consequential changes to the GAAP Taxonomy to assist the development of elements and assignment of appropriate references in the next version of the GAAP Taxonomy.

Questions for Respondents

Question 3: Would the completion of the reference project increase the efficiency and effectiveness of the GAAP Taxonomy? Given the existing resources, should the completion of the reference project be a high priority?

Question 4: Are there other methods to simplify element selection that you would suggest? How would those methods improve the usability of the GAAP Taxonomy?

¹⁰In March 2017, the SEC proposed the use of the Inline XBRL that is a structured and interactive format that allows companies to embed XBRL data directly into a Hypertext Markup Language (HTML) document, rather than filing a separate XBRL instance document, when financial statement and certain mutual fund information is submitted by the companies.

Implementation Resources Supporting Registrant Use of the GAAP Taxonomy

Background

- 1.52. The elements needed to tag reporting requirements may be difficult to identify by registrants simply based on the location of the elements and their associated properties, such as definitions in the GAAP Taxonomy. This is particularly true for more complex modeling structures that require the use of more than one element to appropriately tag the fact for structured data.
- 1.53. To improve element selection and assist with the implementation of the GAAP Taxonomy, the FASB Taxonomy staff provides additional information within the GAAP Taxonomy as well as additional resources for registrants to help clarify choices in tagging.
- 1.54. The additional information that is embedded in the GAAP Taxonomy includes:
 - a. Change Notes—A structure included as part of the element that describes all substantive changes from the prior GAAP Taxonomy such as new elements, definition changes, and deprecated elements including a possible replacement.
 - b. Taxonomy Implementation Notes—A structure included as part of the element to assist with usage. For example, elements used for transition and the location of specific information in Taxonomy Implementation Guides.
 - c. Taxonomy Disclosure Templates—A structure included in the GAAP Taxonomy that can be imported for use that is based on examples in Taxonomy Implementation Guides.
- 1.55. Additional implementation resources that are available on the FASB website include:
 - a. **Taxonomy Implementation Guides**—Presentation and disclosure examples tagged with GAAP Taxonomy elements that illustrate intended use; currently provided in pdf format with the expectation of publishing in an Inline XBRL format that includes sample XBRL Reports.
 - b. **Frequently Asked Questions**—Addresses common questions about the GAAP Taxonomy.
 - c. **GAAP Taxonomy in Excel**—GAAP Taxonomy in a spreadsheet format to facilitate review using data management functions inherent in Microsoft Excel.

- d. **Release Notes**—Communication of annual changes to the GAAP Taxonomy published for the draft and final versions.
- e. **Technical Guide**—Provides technical details of the GAAP Taxonomy.
- f. **Architecture Guide**—Provides details of the architecture of the GAAP Taxonomy and explains the design rationale and how the architecture satisfies stakeholder needs.
- g. **The FASB Taxonomy Online Review and Comment System (TORCS)**—An online GAAP Taxonomy viewing tool with enhanced search capabilities to improve proper element identification.
- h. **Taxonomy Change Application (TC App)**—An application developed by the FASB Taxonomy staff to help registrants quickly identify changes in the elements from a prior version of the GAAP Taxonomy used in an existing XBRL extension taxonomy to a new version of the GAAP Taxonomy.

Potential Issues

- 1.56. The FASB Taxonomy staff has received positive feedback from some stakeholders about the availability and usefulness of the additional information supporting registrant implementation of the GAAP Taxonomy. However, some stakeholders have suggested that because the information is in multiple locations it is difficult and time consuming to identify all the information needed, to understand the intended modeling, and to select the appropriate elements to tag the financial information. Incorporating all the supporting implementation information within the GAAP Taxonomy would provide a single source that is contextually sensitive. However, the structure of the GAAP Taxonomy may limit the type of information that could be included and an external resource may be more suitable.
- 1.57. The amount of FASB Taxonomy staff time needed to develop and maintain the implementation resources for registrants increases with the amount of implementation resources provided. Each implementation resource requires review by the FASB Taxonomy staff and, in many cases, continued maintenance in conjunction with each new GAAP Taxonomy version. Other priorities for the FASB Taxonomy staff may delay development of implementation resources or slow improvements to other areas of the GAAP Taxonomy.

Potential Improvements

- 1.58. The GAAP Taxonomy elements could be included in a view of the Codification by each specific paragraph to which they are referenced. Also, tagging of illustrative disclosure examples in Section 55 of each

Codification Topic could include a hyperlink to the GAAP Taxonomy for the elements used to tag the illustrative disclosure. Those improvements would establish a mechanism for additional contextually sensitive information to be connected to the guidance in the Codification. These improvements may be inoperable with current systems, but their future feasibility could be explored if they are considered as optimal solutions. However, these improvements may be insufficient to convey the intended use of the GAAP Taxonomy by themselves; therefore, additional implementation resources for registrants still may be necessary.

- 1.59. Additional implementation resources under consideration by the FASB Taxonomy staff are:
- a. An online tool to find elements based on Codification references, including **attributes** and relationships in the GAAP Taxonomy
 - b. Publishing guidelines that convey intended modeling and the relationships of elements to each other that can be used programmatically for **validation**
 - c. Adding links between the GAAP Taxonomy Implementation Guides and the GAAP Taxonomy for elements that are used in a Taxonomy Implementation Guide.

Questions for Respondents

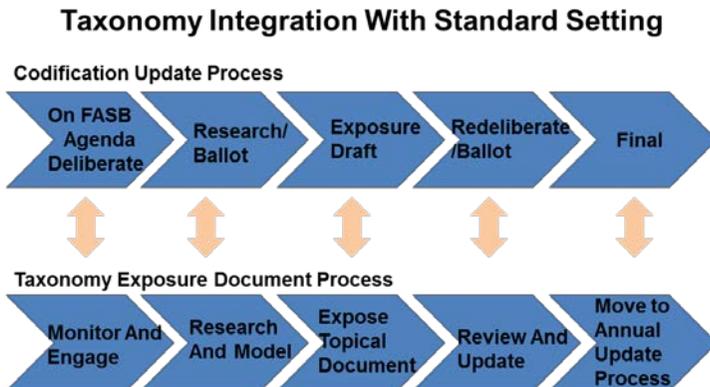
Question 5: What types of implementation resources supporting registrant use of the GAAP Taxonomy are most efficient and effective? How would you prioritize registrant need for the types of implementation resources listed in paragraphs 1.54 and 1.55 (as well as any others that you think should be considered)?

Question 6: Questions 1–5 seek comments on specific areas described in Review Area 1. Do you have other suggestions that would improve the efficiency and effectiveness of the GAAP Taxonomy?

Review Area 2—GAAP Taxonomy Process

Current Taxonomy Development and Maintenance Process

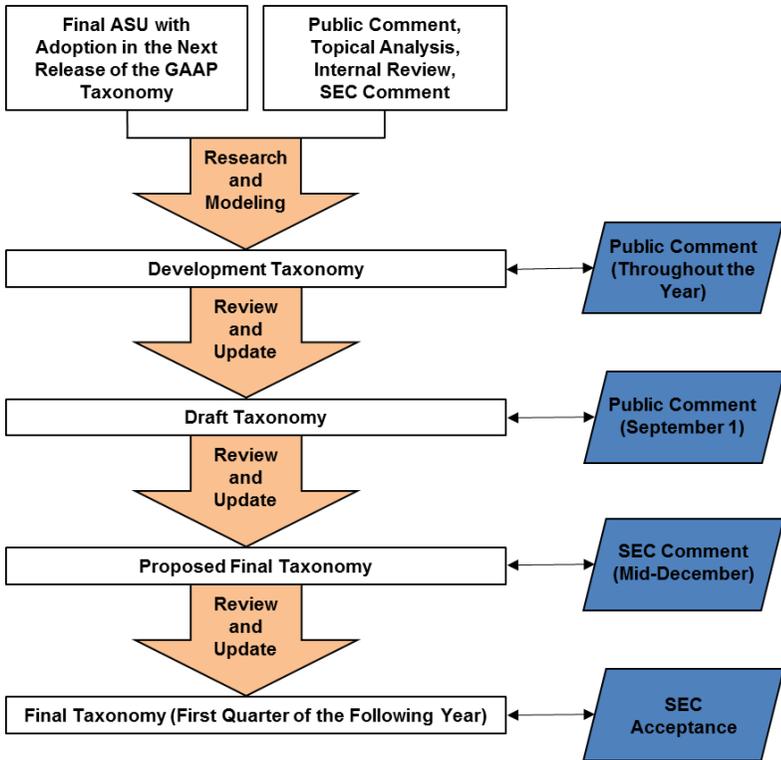
- 2.1. To coordinate the development and maintenance of the GAAP Taxonomy with the FASB's standard-setting process, each Codification Topic is assigned to a FASB Taxonomy staff member. The FASB Taxonomy staff member is responsible for:
 - a. Monitoring the progress of the FASB's technical projects for that Topic
 - b. Soliciting and analyzing stakeholder feedback
 - c. Assessing the effect of changes to the Codification on the GAAP Taxonomy
 - d. Testing and validating the changes to the GAAP Taxonomy by creating XBRL Reports
 - e. Developing the necessary changes to the GAAP Taxonomy.
- 2.2. The following chart illustrates the process for integration of the GAAP Taxonomy with the FASB's standard-setting process. This process is designed as an important guideline for the development of the GAAP Taxonomy. However, the timing between the Codification update process and Taxonomy exposure document process may diverge.



- 2.3. For proposed accounting standards, the FASB Taxonomy staff generally publishes the proposed changes to the GAAP Taxonomy for public comment on the FASB website. Those changes are incorporated into the

annual update process to the GAAP Taxonomy when the FASB issues a final ASU as illustrated by the following chart.

FASB Taxonomy Development Process



- 2.4. Annual updates to the GAAP Taxonomy are based on improvements identified from a variety of sources including new ASUs, stakeholder suggestions, comments from the SEC staff, and the FASB Taxonomy staff's internal reviews. To balance the stability of the GAAP Taxonomy with its continual improvements, the FASB Taxonomy staff focuses on topics that need improvements and completes a comprehensive review of the selected topics. Feedback and suggestions are evaluated to determine if the benefits of the change to the GAAP Taxonomy justify the costs. Once the research and modeling are completed for the proposed improvements, those improvements to the GAAP Taxonomy are reflected in the Development Taxonomy. The Development Taxonomy is a real-

time, work-in-progress taxonomy that is visible on the FASB website and available for public comment throughout the year. For final ASUs, the consequential changes to the GAAP Taxonomy are submitted as they are developed to the SEC for review and comment.

- 2.5. Proposed improvements are included in the draft GAAP Taxonomy that is issued on or before September 1 with a 60-day public comment period. This process provides another opportunity for stakeholders to comment on the GAAP Taxonomy that will be available for use in the following calendar year. The proposed final GAAP Taxonomy is submitted to the SEC for review in mid-December each year. The final GAAP Taxonomy is usually accepted and made available for use by registrants by the end of the first quarter in the following calendar year.
- 2.6. In addition to the public comment period, stakeholder feedback on the GAAP Taxonomy is solicited from organized resource groups. The FASB Taxonomy staff established the Taxonomy Advisory Group (TAG) in 2010. The TAG comprises individuals with a cross-section of stakeholder perspectives (including preparers, XBRL service providers, and users). TAG members have strong technical knowledge in applying and using the GAAP Taxonomy and are asked to share their views in periodic meetings with the FASB Taxonomy staff. The FASB Taxonomy staff also receives input from several industry resource groups including insurance (facilitator: American Council of Life Insurers), banking/financial services (facilitator: American Bankers Association), and federal home loan banks (self-directed). The discussions with the industry resource groups are intended to promote registrant participation and collaboration for consistent and common structured digital reporting.
- 2.7. The FASB Taxonomy staff also has a structured digital reporting technical group, the Dimension Modeling Working Group. The purpose of this Group is to provide input on more complex taxonomy architectural questions and a basis for design principles to guide future GAAP Taxonomy modeling choices. This Group comprises participants from around the world that largely have technical backgrounds with expertise from XBRL International, Inc. and those with a cross-section of stakeholder perspectives.
- 2.8. The FASB Taxonomy staff monitors registrant implementation of the GAAP Taxonomy related to improvements to GAAP. Through that post-implementation monitoring process, the FASB Taxonomy staff may identify further potential changes to the GAAP Taxonomy. The changes may be from numeric details that meet general disclosure requirements or from common reporting practice. The FASB Taxonomy staff evaluates

the need for post-implementation changes to the GAAP Taxonomy by assessing costs and benefits.

Potential Issues

- 2.9. The FASB's standard-setting process results in continual improvements to GAAP. New accounting standards are issued and implemented throughout the year based on the required transition and effective date provisions. However, changes to the GAAP Taxonomy that result from those GAAP improvements ("consequential changes") are accepted by the SEC only on an annual basis. Some of the observations below are based on the difference in the timing between these two interrelated processes.
- 2.10. The transition requirements for certain improvements to GAAP allow registrants to adopt the new accounting guidance before the mandatory effective date. Other transition requirements make certain improvements to GAAP effective immediately. Both of those transitions can affect whether the consequential changes to the GAAP Taxonomy can be incorporated in time to meet the current year's structured digital reporting purpose. For those new accounting changes, the consequential changes to the GAAP Taxonomy will not be available for use until a new release of the GAAP Taxonomy is accepted in the following calendar year. Therefore, improvements to GAAP may not be reflected in the most recent GAAP Taxonomy. Registrants may need to create custom tags (extensions) to reflect the new reporting requirements when the changes to GAAP are adopted during the current calendar year.
- 2.11. The following table illustrates the timing of when registrants need elements from the GAAP Taxonomy to tag their facts for changes to the Codification. ASUs are included in the column in which the changes to the Codification may be first adopted (either early adoption or, for ASUs without an early adoption provision, when the changes to the Codification are effective). The effort to evaluate the consequential changes to the GAAP Taxonomy and the duration in which the changes are not in an accepted GAAP Taxonomy varies between ASUs.

Year	Total ASUs ^(a)	Effective upon Issuance or with Early Adoption in Year of Issue		Effective or with Early Adoption One Year After Year of Issue	Effective or with Early Adoption Two to Three Years After Year of Issue
		Early Adoption	Effective upon Issuance		
2012	6	4	2		
2013	9	8		1	
2014	14	10	2	1	1
2015	15	13	2		
2016	18	11 ^(b)	1	5	2 ^(b)

^(a) Excludes ASUs not applicable to the GAAP Taxonomy.

^(b) One ASU with certain early adoption provisions and the remainder effective two years after year of issue.

2.12. The issuance of new accounting guidance near the end of the year also can affect whether the consequential changes to the GAAP Taxonomy can be incorporated in the Annual Update for the following calendar year. For example, if new accounting guidance is issued in November or early December and is effective immediately, contains early adoption provisions, or contains an effective date for the following calendar year, the following situations may occur:

- a. The GAAP Taxonomy Annual Update for the following calendar year would not include the consequential changes for new accounting guidance; resources are committed to deliver the proposed final GAAP Taxonomy to the SEC by mid-December. The omission of consequential changes in the Annual Update may cause registrants to create extensions for newly effective accounting requirements.
- b. The public exposure period for the consequential changes to the GAAP Taxonomy will be shortened from a 60-day public comment period to deliver the proposed final GAAP Taxonomy to the SEC by mid-December.

2.13. Other factors also may affect the synchronization of consequential changes to the GAAP Taxonomy with the FASB's standard-setting process. Those factors include the quantity and complexity of the consequential changes and the level of involvement of the FASB Taxonomy staff in the initial research and deliberation stage of the FASB's standard-setting process.

- 2.14. Also, some stakeholders have suggested that the 60-day comment period is insufficient for them to evaluate the changes to the GAAP Taxonomy, particularly for significant and complex changes. They stated that comments received during this period may be limited and would be more effectively addressed throughout the year as consequential changes were included in the Development Taxonomy and illustrated in Taxonomy Implementation Guides. In addition, staff resources are committed to publishing the entire GAAP Taxonomy for comment during this period, which limits FASB Taxonomy staff involvement in contributing to the standard-setting process. During this time, the FASB Taxonomy staff's consideration of structured data in the FASB's development of potential new accounting requirements is limited by those resource constraints. Thus, new accounting standards may require the presentation or disclosure of information in a way that poses suboptimal modeling in the consequential changes to the GAAP Taxonomy.
- 2.15. Synchronizing the timing of accounting improvements and the acceptance of the consequential changes to the GAAP Taxonomy could alleviate issues about (a) unavailability of the GAAP Taxonomy elements when needed and (b) an insufficient exposure period for public comments on consequential changes to the GAAP Taxonomy. It is important that improvements to GAAP are responsive to stakeholder concerns and needs; the time needed to assess consequential changes to the GAAP Taxonomy may significantly delay the issuance and adoption of accounting improvements. The current processes are the result of a culmination of discussions and mutual understandings between the FASB and the SEC; changes to the nature or timing of the GAAP Taxonomy acceptance process would require bilateral consideration of those types of process changes.

Potential Improvements

- 2.16. Based on stakeholder feedback and the FASB Taxonomy staff's observations, two potential improvements to current process steps have been identified to lessen the disconnect between the continual process for improving GAAP and the annual acceptance process for the GAAP Taxonomy:
- a. Issuing proposed changes to the GAAP Taxonomy concurrent with the issuance of the FASB's proposed and final ASUs
 - b. Replacing the 60-day comment period with a process that allows both feedback for the changes to the GAAP Taxonomy concurrently with the development of an ASU and feedback for projects identified

by the FASB Taxonomy staff as they are developed, which would alleviate staff resource constraints.

Timing of Proposed Consequential Changes to the GAAP Taxonomy

2.17. Stakeholders have stated that the efficiency and effectiveness of the GAAP Taxonomy would be improved by increasing symmetry with the ASU-issuing process, considering the structured digital reporting requirements in the standard-setting process and the timelier understanding of reporting requirements for modeling the ASU-driven changes. The project team working on the ASU and the FASB in general would receive more timely feedback, which would lessen concerns about structured data consumption and improve structured digital reporting. Optimally, the FASB Taxonomy staff would be embedded as part of the FASB technical staff team to better synchronize the timing of proposed and final ASUs with the consequential changes to the GAAP Taxonomy. Because of current resource constraints, additional resources would be needed for the Annual Update process of the GAAP Taxonomy as well as the earlier development of consequential changes to the GAAP Taxonomy.

2.18. This process would be similar to the IFRS Taxonomy process, which aligns IFRS Taxonomy Updates with the issuance of IFRS Standards and integrates consideration of structured data in the standard-setting process. However, the GAAP Taxonomy is accepted by the SEC, and the IASB approves consequential changes to the IFRS Taxonomy (see Appendix B for a comparison).

Replacing the 60-Day Comment Period

2.19. Stakeholders have stated that replacing the 60-day comment period with continual exposure periods for changes to the GAAP Taxonomy as they are developed would avoid a condensed public comment period except for the ASUs issued late in the year. Exposing technical structure changes as they are developed would allow XBRL software developers more time to evaluate, consider incorporation into their process, and provide feedback to the FASB Taxonomy staff. Stakeholders note that exposing the proposed consequential changes to GAAP Taxonomy would (a) allow registrants to evaluate the ASUs and changes to GAAP Taxonomy at the same time and (b) guide registrants in creating appropriate extensions for new accounting requirements. For example, a registrant may need to create extensions if the elements needed for the new accounting requirements are not in the current GAAP Taxonomy. Consistent

extensions should allow for a more seamless migration to the GAAP Taxonomy for both registrants and structured data users.

- 2.20. The FASB Taxonomy Online Review and Comment System (TORCS) is designed to solicit and collect feedback on the changes to the GAAP Taxonomy throughout the year. The system can support a continual update exposure schedule that corresponds to the required adoption provisions for improvements to GAAP. Additionally, the development process is designed to support consequential changes to the GAAP Taxonomy. Related materials are currently created in the form of Taxonomy Implementation Guides to support the changes. Additional support may be needed for interim exposure of consequential changes, but that information is largely already produced by the FASB Taxonomy staff.
- 2.21. A continual exposure process would be consistent with the IFRS Taxonomy exposure process in which the proposed IFRS Taxonomy Updates are exposed for a 30–60 day comment period throughout the year as IFRS Standards are issued. The IFRS Taxonomy is issued on an annual basis for technical corrections and a compilation of changes from IFRS Standards, but is not exposed in its entirety for public comment (see Appendix B for a comparison).
- 2.22. The FASB Taxonomy staff's annual exposure currently provides all proposed changes to the GAAP Taxonomy in one comprehensive document. Therefore, continual proposed changes that are issued throughout the year could be initially disruptive to service providers and registrants as they adapt to their processes. However, the number of proposed changes would be narrower—a continual review process would comprise only the consequential changes, topical projects, or technical structure changes, rather than include a review of the entire GAAP Taxonomy in the 60-day comment period.

Questions for Respondents

Question 7: Does issuing proposed changes to the GAAP Taxonomy concurrent with the FASB's proposed and final ASUs lessen the timing issues between a registrant's adoption of GAAP updates and consequential changes to the GAAP Taxonomy?

Question 8: Should the FASB Taxonomy staff replace the current annual 60-day comment period for the proposed Taxonomy Update with an exposure process that corresponds with the required adoption of GAAP improvements?

Question 9: Do you have other suggestions related to the GAAP Taxonomy process that would improve the efficiency and effectiveness of the GAAP Taxonomy?

Appendix A: Glossary

Attribute

A property of an element such as its name, balance, data type, and whether it is abstract. Attributes of XBRL US GAAP Taxonomy elements cannot be changed.

Axis (pl. axes)

An instance document contains facts; an axis differentiates facts, and each axis represents a way that the facts may be classified. For example, revenue for a period might be reported along a business unit axis, a country axis, a product axis, and so forth.

Dimensional Structure

The definition of cubes within a taxonomy.

Dimension [Taxonomy]

A dimension that is defined by a taxonomy, as opposed to a built-in dimension. A dimension can provide any additional qualification needed to fully identify a fact. For example, a taxonomy-defined dimension could be used to indicate that a fact relates to a specific geographic region. A taxonomy-defined dimension may be either “explicit”, in which case the taxonomy defines a list of allowed dimension values (for example, a list of countries), or “typed”, in which case the taxonomy defines the format for dimension values (for example, the format for a postal code). In this ITC, the term *dimension* is used synonymously with the term *axis*.

Element

XBRL components (items, domain members, dimensions, and so forth). The representation of a financial reporting concept, including line items on the face of the financial statements, important narrative disclosures, and rows and columns in tables.

Entity-Specific Disclosures (ESDs)

Disclosures included in a report that are specific to the reporting entity or to a small number of reporting entities. Such disclosures require special handling in XBRL because it is not practical for the base taxonomy to include the concepts and dimension members needed to report all such disclosures for all entities. To facilitate the tagging of such disclosures, mechanisms such as entity-specific extension taxonomies may be used. ESDs are common in open reporting environments but do not occur in closed reporting environments.

Extension Taxonomy or Extension

A taxonomy that allows users to add to a published taxonomy to define new elements or change element relationships (presentation, calculation, labels, and so forth) without altering the originally published taxonomy.

Fact

The occurrence in an instance document of a value or other information tagged by a taxonomy element.

Hypercube

A hypercube is defined by combining a set of dimensions. Unlike a physical, three-dimensional cube, a hypercube may have any number of dimensions.

Inline XBRL

See **iXBRL Report**. The terms *Inline XBRL* and *iXBRL Report* are used interchangeably.

iXBRL Report

A single document that combines structured, computer-readable data with a human-readable presentation using the iXBRL (or Inline XBRL) standard. An iXBRL Report provides the same XBRL data as an XBRL Report, but embeds it into an HTML document that can be viewed in a web browser. By linking structured data and human-readable presentation, iXBRL provides the benefits of computer-readable structured data while enabling preparers to retain full control over the presentation of their reports.

Instance or Instance Document

An eXtensible Markup Language (XML) file that contains business reporting information and represents a collection of financial facts and report-specific information using tags from one or more XBRL taxonomies.

Label

Human-readable name for an element; each element has a standard label that corresponds to the element name and is unique across the taxonomy.

Line Item

Elements that conventionally appear on the vertical axis (rows) of a table.

Member

An element representing one of the possibilities within a domain. For example, "Arkansas" is a member in the domain "States."

Modeling

The act of designing a taxonomy or a particular disclosure topic within a taxonomy.

Report-Wide Value

Comprising the total amount for a given concept (for example, the total value of cash held by the registrant).

Tag

Identifying information that describes a unit of data in an instance document and encloses it in angle brackets. All facts in an instance document are enclosed by tags that identify the element of the fact.

Text Block

Element in the taxonomy used to tag a complete note to the financial statements, a table within the notes, or an accounting policy.

U.S. GAAP Financial Reporting Taxonomy (GAAP Taxonomy)

The U.S. GAAP Financial Reporting Taxonomy is a list of computer-readable tags in XBRL that allows companies to label precisely the thousands of pieces of financial data that are included in typical long-form financial statements and related footnote disclosures. The tags allow computers to automatically search for and assemble data so those data can be readily accessed and analyzed by investors, analysts, journalists, and the SEC staff.

Validation (XBRL)

Rules defined by the XBRL specifications that must be adhered to by all XBRL Reports and XBRL Taxonomies. The rules for XBRL Reports ensure a base level of document validity; for example, any concepts used in the XBRL Report are defined by the corresponding taxonomy, ensuring that monetary concepts have numeric values and currency units and that facts used combinations of dimensions that are valid according to the dimensional structure defined in the taxonomy. Additional rules can be defined in a taxonomy as XBRL formula rules.

XBRL (eXtensible Business Reporting Language)

Family of specifications used for digital business reporting.

XBRL Report

The file that contains the data that is to be reported in an XBRL filing program. A report refers to a specific taxonomy entry point; it is the combination of the XBRL Report and the taxonomy that enables the contents of an XBRL Report to be fully understood (technical term: instance document).

XBRL Taxonomy, XBRL Taxonomies

An XBRL Taxonomy defines taxonomy components that provide meaning for the facts in an XBRL Report. For example, a taxonomy for an accounting standard would include definitions of concepts such as “Profit”, “Turnover”, and “Assets”. Taxonomies may contain a very rich set of information, including multilanguage labels, links to authoritative definitions (for example, accounting standards or relevant local laws), validation rules, and other relationships.

Appendix B: Comparison between the GAAP Taxonomy and the IFRS Taxonomy

	GAAP Taxonomy	IFRS Taxonomy
Regulator(s) That Require Use of Taxonomy	SEC only	Multiple
Frequency of Taxonomy Updates	The GAAP Taxonomy Annual Update is issued once a year.	<ul style="list-style-type: none"> The IFRS Taxonomy Updates are issued, as a result of new or amended IFRS Standards, common practice projects, or technology updates, throughout the year. An annual compilation of all IFRS Taxonomy Updates is produced (Annual IFRS Taxonomy) each year.
Approval and Oversight of Taxonomy Updates	The GAAP Taxonomy Annual Update is not approved or reviewed by the members of the FASB.	<ul style="list-style-type: none"> The proposed IFRS Taxonomy Update documents and the IFRS Taxonomy Update documents for IFRS Taxonomy content reflecting new or amended IFRS (including the accompanying materials to IFRS Standards) require the approval of a supermajority of the IASB, by means of a ballot. An IFRS Taxonomy Review Panel that consists of at least three, but not more than five, IASB members and at least one technical director, provides oversight of the

		IFRS Taxonomy content that is not referred to explicitly by IFRS Standards.
Public Comment	<ul style="list-style-type: none"> Proposed changes to the GAAP Taxonomy are available for public comment throughout the year. The draft GAAP Taxonomy Annual Update is exposed on or before September 1 of each year for public comment with a comment period of 30–60 days. Depending on the timing of issuance of ASUs, public comment exposure may be less than 30 days. 	<ul style="list-style-type: none"> Proposed IFRS Taxonomy Update documents and files are the subject of public consultation. The comment period will normally be at least 60 days, but not less than 30 days. No public consultation takes place on the Annual IFRS Taxonomy. Editorial corrections and maintenance-type amendments for the IFRS Taxonomy are considered post-publication procedures and do not need to be approved, reviewed, or exposed for public consultation.
Taxonomy Staff's Public Discussion of Comments	FASB Taxonomy staff does not publicly discuss all comments received. Certain comments may be part of materials discussed with the Taxonomy Advisory Group (TAG) (a FASB industry resource group), which are posted to the FASB website.	IFRS Taxonomy staff discusses the comments received and the changes to the original proposals, including any proposal to re-expose, with (a) the IASB at a public meeting (for new or amended IFRS Standards), (b) the IFRS Taxonomy Review Panel, with a public summary of the discussions for common practice and other taxonomy content not referred to explicitly by IFRS Standards, and (c) the IFRS Taxonomy Consultative Group (ITCG) at a public meeting (for changes to the technology of the IFRS Taxonomy).
Advisory Group Responsibilities and Membership	<ul style="list-style-type: none"> The TAG reviews education materials such as the Taxonomy Implementation Guides, discusses 	<ul style="list-style-type: none"> Members of the ITCG: <ul style="list-style-type: none"> Review in depth the IFRS Taxonomy, including its supporting

	<p>issues or concerns related to changes in the GAAP Taxonomy, and has access to public comments and the FASB Taxonomy staff's resolution of them.</p> <ul style="list-style-type: none"> • Representatives are from accounting firms, service providers, one regulator, and data aggregators, with additional participation from registrants. 	<p>materials, and ensure that it meets expected market standards and best practices from both a data content perspective and an architectural perspective</p> <ul style="list-style-type: none"> ✧ Provide technical advice and strategic implementation guidance on matters relating to the IFRS Taxonomy and IASB digital reporting activities. • Representatives are from accounting firms, service providers, regulators, data aggregators, and preparers.
Advisory Group Meetings	The TAG meetings are not public, but the materials used in the discussions and a summary of the discussion is posted to the FASB website.	Generally, the comments received from the ITCG are summarized and provided at a public meeting of the ITCG.
Linkage to Standards	The Codification includes the GAAP Taxonomy elements at the end of the referenced paragraph with a grouping by subparagraph.	There is a view of IFRS Standards that includes the IFRS Taxonomy elements with each paragraph/subparagraph of IFRS Standards to which they are referenced.
Implementation Resources	<p>The GAAP Taxonomy includes the following implementation resources:</p> <ul style="list-style-type: none"> ✧ Structures embedded in the GAAP Taxonomy: <ul style="list-style-type: none"> ○ Change Notes ○ Taxonomy Implementation Notes 	<p>The IFRS Taxonomy includes the following implementation resources:</p> <ul style="list-style-type: none"> ✧ A formula linkbase to indicate relationships between elements ✧ Illustrative examples showing tagging of selected information (in connection with the illustrative examples accompanying IFRS

	<ul style="list-style-type: none"> ○ Taxonomy Disclosure Templates ◇ External documentation: <ul style="list-style-type: none"> ○ Taxonomy Implementation Guides ○ Frequently Asked Questions ○ GAAP Taxonomy in Excel ○ Release Notes ○ Architecture Guide ○ Technical Guide ◇ Applications: <ul style="list-style-type: none"> ○ The FASB Taxonomy Online Review and Comment System (TORCS) ○ Taxonomy Change Application (TC App). 	<ul style="list-style-type: none"> Standards) in XBRL and Inline XBRL ◇ Versioning information showing the changes between IFRS Taxonomies ◇ A “Guide to Understanding the IFRS Taxonomy Update” ◇ The Guide to Common Practice Content ◇ Using the IFRS Taxonomy: the taxonomy architecture.
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