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Property Commission

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# CIPC XBRL Taxonomy 2021 Gap Analysis

Under CIPC Contract No.: CIPC Tender 06/2017/2018

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## About this document

This document presents the outcome of gap analysis conducted on the CIPC XBRL Taxonomy 2020 as developed by the Companies and Intellectual Property Commission (CIPC), to identify potential areas for taxonomy improvements in terms of the scope of information requirements covered and the technical application of the XBRL standard. In particular, the document presents an overview of differences between the International Financial Reporting Standards (IFRS) Taxonomy 2021 and the current CIPC Taxonomy 2020, their impact on the CIPC structures and recommended steps to be taken by the CIPC in their future releases of the taxonomy. It includes in its scope both the IFRS-full as well as IFRS for SMEs taxonomies.

The document was created by Business Reporting – Advisory Group as part of CIPC Contract No.: CIPC Tender 06/2017/2018 and will be subject to review by the CIPC XBRL project team, CIPC stakeholders and representatives of various professional bodies in South Africa.

## Context of the project

In early 2016, the CIPC has launched an official programme for the electronic exchange of standardized financial reporting information in South Africa. The programme included, among others, design, development and implementation of an XBRL reporting platform to be utilized by client companies as a mechanism for submission of annual financial statements through XBRL.

As a first step towards successful implementation of the XBRL standard, the CIPC has developed and published the annual CIPC taxonomy and the corresponding data model based on the resources made available by the IASB, namely the IFRS taxonomy 2016. Prior to the publication of the taxonomy project deliverables, both the data model and the taxonomy were subject to open consultation with the relevant stakeholders in South Africa. Feedback received during the consultation stage was evaluated and incorporated in the produced outputs, ensuring their quality and compliance with the applicable standards.

In the following year, the CIPC appointed a software service provider to design, develop and implement the XBRL reporting platform which was successfully delivered in late 2017. In order to test the functionality of both the CIPC's upload-portal as well as the client-side software used by selected companies, in February 2018 the CIPC initiated the XBRL pilot phase. After a four-months evaluation period, the pilot proved conclusively that the CIPC had a well-developed capability to receive AFS data via iXBRL standard, and that the client-side software needed by companies to produce their outputs was fully compliant with the requirements of the CIPC. The XBRL platform was officially deployed on 1 July 2018.

The Companies Act and its Regulations mandates CIPC to monitor the patterns of compliance with the Companies Act as well as compliance with International Financial Reporting Standards and related standards.

As part of the mandate imposed on the CIPC by the Companies Act and its Regulations, The Commission is required to monitor the compliance with the Act, as well as compliance with International Financial Reporting Standards and related standards. To achieve its mandate, CIPC needs to regularly update its XBRL taxonomies to ensure companies subject to reporting to the CIPC are using the most up to date, relevant and approved for use standards. Starting from 2018, The CIPC commenced yearly gap analysis activities to assess the possibilities of updating the CIPC taxonomy in terms of information scope covered by existing taxonomy structures, as well as its compliance with the latest IFRS standards as published by the IASB and other standards that are applicable in South Africa and are required to fulfil the obligations of the Companies Act by the companies (e.g. Generally Recognised Accounting Practice).

The gap analysis conducted by the CIPC is subject to review and discussions by the professional bodies in South Africa, as well as market participants who are directly or indirectly affected by the XBRL mandate, to ensure high quality and relevance of the proposed updates to the CIPC taxonomy.

## Gap analysis: IFRS taxonomy 2021

### Scope of analysis

For the purposes of this gap analysis, the CIPC XBRL Taxonomy 2020 was compared with the IFRS XBRL Taxonomy 2021, as published by the IFRS Foundation on 24 March 2021<sup>1</sup>.

The versioning report published by the IFRS Foundation with the release of the IFRS Taxonomy 2021 was used as a basis for identification of all changes applied in the IFRS Taxonomy as compared to its previous, 2020 release. Moreover, as CIPC is following the XBRL SA Standard Architecture and Governance Framework, technical aspects (e.g. taxonomy architecture; modularization in files) were not investigated, and the comparison was made only on the information requirements' level.

The sections below present the outcomes of the analysis, in particular the list of all changes made between the last two IFRS Taxonomy annual releases in the context of CIPC.

### Summary of observations

With the 2021 release of the IFRS taxonomy, five significant changes (as compared with the 2020 version) were incorporated. In particular, three of updates were introduced to reflect changes to the presentation and disclosure requirements in IFRS Standards issued in 2020:

- *Covid-19-Related Rent Concessions* – to reflect amendments to IAS 16 which aims to facilitate for lessees to account for the covid-19-related rent concessions such as rent holidays and temporary rent reductions;
- *Interest Rate Benchmark Reform: Phase 2* – to improve information flows for investors about the effects of interest rate benchmark reform on these companies' financial statements; and
- *Amendments to IFRS 17 and IAS 16* – to facilitate implementation of IFRS 17 *Insurance contracts* and to explain the company's financial performance as well as to reduce diversity in accounting for proceeds from selling items produced while preparing an asset for its intended use.

Moreover, two additional sets of changes were introduced as part of the common practice and general improvement updates to address issues raised by stakeholders and to reflect findings of a review of extensions used by companies applying IFRS standards that file with the US Securities Exchange Commission. Introducing common practice elements will reduce the need for companies or regulators to create specific taxonomy elements or extension elements and to cater for more consistent tagging across companies. In particular, the following updates were incorporated:

- *Information in primary financial statements* – to reduce diversity in the area of statement of financial position, financial performance, cash flows and changes in equity as well as Earnings per Share (EPS), specifically:
  - Addition of new elements:
    - Attribution of expenses by nature to their function;
    - Cumulative catch-up transitioning approach;
    - Supplementary currency information; and
    - Information about warrants.
  - Modelling changes:
    - Double tagging for basic and diluted EPS when equal; and
    - Clarifying relationships of deferred and accrued income and contract assets and liabilities.
  - Changes to prevent errors:
    - Clearer labels for cost of sales;

<sup>1</sup> <https://www.ifrs.org/issued-standards/ifrs-taxonomy/ifrs-taxonomy-2021/>

- Clearer labels for elements related to other comprehensive income; and
- Guidance labels to clarify double tagging of basic and diluted EPS.
- *IAS 19 Employee Benefits* – focusing on presentation and disclosures related to defined benefit plans, specifically:
  - Addition of new elements:
    - Fair value of defined benefit plan assets;
    - Maturity analysis of defined benefit obligations; and
    - Post-employment benefit expense in profit or loss.
  - Modelling changes:
    - Income and expenses from defined benefit plans.
  - Changes to prevent errors:
    - Label changes to clarify signs for reconciliation of net defined benefit liability; and
    - Label changes for reconciliation of reimbursement rights.

Based on the above, total of 246 elements were added (of which 77 are common practice elements) to the IFRS 2021 taxonomy in comparison with the IFRS 2020. Moreover, 31 elements were removed from the IFRS 2021 taxonomy and put in a separate deprecated module. More specific elements were introduced in replacement to these deprecated elements as part of the common practice updates.

The table below presents the summary of changes in number of elements between versions of the Full IFRS module of the IFRS taxonomy 2020 and 2021:

Number of taxonomy elements	IFRS 2020	IFRS 2021	Difference
Reportable elements:	3,556	3,683	+127
▪ Common practice elements	1,152	1,229	+77
Dimensional constructs	851	885	+43
Titles / headers	622	673	+51
<b>Total number of taxonomy elements</b>	<b>5,027</b>	<b>5,242</b>	<b>+215</b>
<b>Deprecated elements</b>	<b>484</b>	<b>515</b>	<b>+31</b>

## Impact on the CIPC taxonomy

The IFRS 2020 information scope part of the CIPC taxonomy was compared in detail, based on the versioning report issued by the IASB, with the final release of the IFRS 2021 taxonomy for any possible differences. The updates described in the previous section would affect the CIPC taxonomy in a moderate manner, even though the total number of discrepancies observed between the presentation structures of the IFRS and CIPC taxonomies is 3036.

In particular, 1390 differences come from the updates to the reference linkbase mostly based on the changes to the effective dates of the particular standards, 883 differences represent changes in labels and 2 differences are due changes related to the removal of balance attribute. The remaining ones (761) are related to concept additions and/or removals based on the updated standards and updates related to the common practice and general improvements to the taxonomy as described in the *Summary of observations* section of this document.

From the technical perspective, no critical updates were done to the taxonomy architecture

and the naming convention in the IFRS 2021, therefore if necessary, incorporation of such changes (related mostly to the business aspects of the taxonomy) into CIPC taxonomy would not require significant effort.

The following sub-sections present a general list of applicable changes per each CIPC taxonomy module.

### IFRS-FULL structures affected by IFRS 2021 updates

In general, total of 27 extended link roles (i.e. placeholders for sub-sections of the financial statements) and their structure contents were updated in the IFRS taxonomy 2021, of which 2 extended link roles were added as completely new. The table below presents the distribution of elements added and/or removed per each structure.

Extended link role structure impacted by changes to 2021 IFRS Taxonomy	Type of change	Elements added	Elements removed
[410000] Statement of comprehensive income, OCI components presented net of tax	Updated	14	12
[420000] Statement of comprehensive income, OCI components presented before tax	Updated	15	12
[610000] Statement of changes in equity	Updated	29	16
[800100] Notes - Subclassifications of assets, liabilities and equities	Updated	116	65
[800200] Notes - Analysis of income and expense	Updated	41	7
[800300] Notes - Statement of cash flows, additional disclosures	Updated	10	1
[800400] Notes - Statement of changes in equity, additional disclosures	Updated	13	8
[811000] Notes - Accounting policies, changes in accounting estimates and errors	Updated	10	0
[817000] Notes - Business combinations	Updated	4	1
[822100] Notes - Property, plant and equipment	Updated	3	0
[822390] Notes - Financial instruments	Updated	57	0
[824500] Regulatory deferral accounts	Updated	0	3
[832610] Notes - Leases	Updated	3	0
[834120] Notes - Share-based payment arrangements	Updated	4	1
[834480] Notes - Employee benefits	Updated	74	24
[835110] Notes - Income taxes	Updated	1	0
[836500] Notes - Insurance contracts	Updated	0	1
[836600] Notes - Insurance contracts (IFRS 17)	Updated	23	1
[838000] Notes - Earnings per share	Updated	73	21
[842000] Notes - Effects of changes in foreign exchange rates	Updated	4	1
[861000] Notes - Analysis of other comprehensive income by item	Updated	18	16
[861200] Notes - Share capital, reserves and other equity interest	Updated	17	16
[880000] Notes - Additional information	Updated	17	15
[901000] Axis - Retrospective application and retrospective restatement	Updated	0	1
[914000] Axis - Currency in which information is displayed	Added	3	0
[915000] Axis - Cumulative effect at date of initial application	Added	4	0
[990000] Axis - Defaults	Updated	10	0

A complete list of all new items that were introduced with the 2021 release of the IFRS taxonomy is provided in *Appendix A* to this document. All items that were deprecated in 2021 version of the IFRS is provided in *Appendix B*.

## IFRS-SMEs structures affected by IFRS 2021 updates

No changes to the IFRS Taxonomy for SMEs were incorporated in 2021 release, hence no amendments to the IFR-SME module of the CIPC taxonomy are required.

## IFRS elements modified in IFRS 2021 updates

In some cases, the IFRS taxonomy team decides to introduce changes regarding elements labels, references, documentations or element type and attributes. To ensure consistency with the previous versions of the standard technical names of elements remain the same and only the label linkbase is updated or adequately the documentation, references or element type and attributes. The changes aim to provide more meaningful business description of the elements content or update the references to reflect changes in the standards (e.g. their effective dates). Detailed list of all items that were modified in the 2021 taxonomy are presented in Appendix C.

In addition to the above detailed descriptions of the discrepancies observed between IFRS 2020 and 2021 versions of the taxonomy, an original versioning report, as published by the IASB, is attached in Appendix D to this document.

## Recommendation

As per Section 29 (5) (b) of the Companies Act, no. 71 of 2008, the preparation of financial statements must be consistent with the International Financial Reporting Standards of the International Accounting Standards Board or its successor body. To ensure that the CIPC Taxonomy is fully compliant with the Companies Act requirements and also with all relevant developments of the IFRS Foundation, it is highly recommended to incorporate all changes introduced in the latest instalment of the IFRS Taxonomy, as listed above in the analysis.

## Gap analysis: GRAP

In 2020, CIPC published the additional module to the CIPC taxonomy focusing specifically on the Standards of Generally Recognised Accounting Practice to be applicable for a subset of the state-owned companies and other relevant reporting entities. CIPC decided to exclude the analytical works around this GRAP module in 2021, therefore no gap analysis was performed on the accounting practice standards. Nevertheless, the taxonomy module will be maintained in the 2021 version of the CIPC taxonomy and any changes related to it will be limited to the bug fixing based on the comments received from the market last year.

## Appendix A – List of new elements added to IFRS 2021 taxonomy

The excel spreadsheet provides a complete list of all new reportable elements introduced with the release of the IFRS 2021:



IFRS 2021 -  
Elements added.xlsx

## Appendix B – List of elements removed from IFRS 2021 taxonomy

The excel spreadsheet provides a complete list of all removed elements from the IFRS 2021:



IFRS 2021 -  
Elements removed.xl

## Appendix C – List of elements modified in IFRS 2021 taxonomy

The excel spreadsheet provides a complete list of all modified elements from the IFRS 2021:



IFRS 2021 -  
Elements modified.x

## Appendix D – IFRS taxonomy 2021 versioning report



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