

CIPC XBRL Taxonomy 2022 Gap Analysis

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About this document

This document presents the outcome of gap analysis conducted on the CIPC XBRL Taxonomy 2021 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 2022 and the current CIPC Taxonomy 2021, 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.

Moreover, the document suggests potential areas of improvements of the CIPC taxonomy in the context of co-operatives, that will be required to report their financial statements using iXBRL format starting from 1st October 2022.

The document was created by Business Reporting – Advisory Group as part of CIPC Contract No.: CIPC Tender 07/2021/2022 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; Co-operatives Act).

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 2022

## Scope of analysis

For the purposes of this gap analysis, the CIPC XBRL Taxonomy 2021 was compared with the IFRS XBRL Taxonomy 2022, as published by the IFRS Foundation on 24 March 2022[[1]](#footnote-2).

The versioning report published by the IFRS Foundation with the release of the IFRS Taxonomy 2022 was used as a basis for identification of all changes applied in the IFRS Taxonomy as compared to its previous, 2021 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 2022 release of the IFRS taxonomy, three updates were incorporated, in particular:

* *Disclosure of Accounting Policies* – to reflect amendments to IAS 1 and IFRS Practice Statement 2 to require entities to disclose their material accounting policy information instead of their significant accounting policies;
* *Definition of Accounting Estimates* – to reflect amendments to IAS 8 to introduce a definition of the term ‘accounting estimates’ in replacement of the definition of ‘change in accounting estimate’; and
* *Initial Application of IFRS 17 and IFRS 9 Comparative Information* – to reflect amendments to IFSR 17 Insurance Contracts to permit an entity that first applies IFRS 17 and IFRS 9 Financial Instruments at the same time to apply the classification overlay in paragraphs C28B–C28E of IFRS 17.

Moreover, the IFRS Taxonomy 2022 also introduced several changes to the technological aspects of applicable taxonomy architecture and supportive materials. The changes were necessary or beneficial to reflect developments in standards and practices, as well to reflect latest developments in XBRL technology (i.e. technical specifications) in general. The list of changes includes the following:

* *Data Type Registry 1.1* – centralised list of common data types to be used in XBRL taxonomies was replaced from version 1.0 to 1.1 to ensure alignment with the latest recommendations from XBRL International;
* *Transformation Registry 4 –* transformation rules which are used to allow text strings in Inline XBRL to be converted into data types used within XBRL Instance Documents were upgrade to the version 4 of the specification to better align with the recent (June 2021) changes to the ESEF Reporting Manual. This update is not directly included in the IFRS Taxonomy, however illustrative examples published by IFRS Foundation will use the most up to date version of the Transformation Registry;
* *HTTPS –* application of HTTPS addresses (instead of HTTP) for the taxonomy in hosting XBRL taxonomy files and to be used in the entry points complementing the taxonomy;
* *Changes to reference URI links –* usage of HTTPS links leading to the new eIFRS service hosting facility which will now be available in a different domain (i.e. ‘https://www.taxonomy.ifrs.org’) as part of the ref:URI part of IFRS taxonomy references;
* *Additional entry points –* to provide a better base for regulators to extend the IFRS taxonomy. In particular the new entry points are created for each reporting scenario, include all elements’ labels including guidance labels and all existing references, and exclude relevant linkbases (for certain entry points) to facilitate extension process by providing core taxonomy elements equipped with labels and references but without all the relationships between elements.
* *Changes to titles for definition linkbase roles* – improvement of titles of multiple ELRs within the definition linkbases to provide more accurate descriptions of its contents and easier navigation.

Based on the above, total of 5 elements were added to the IFRS 2022 taxonomy in comparison with the IFRS 2021. Moreover, 109 elements were modified compared to the IFRS 2021 taxonomy by being provided with updated and more accurate descriptions in the documentation labels and applicable reference linkbase parts.

The table below presents the summary of changes in number of elements between versions of the Full IFRS module of the IFRS taxonomy 2021 and 2022:

|  |  |  |  |
| --- | --- | --- | --- |
| Number of taxonomy elements | IFRS 2021 | IFRS 2022 | Difference |
| Reportable elements:   * Common practice elements | 3,683  1,229 | 3,686  1,229 | +3  - |
| Dimensional constructs | 885 | 887 | +2 |
| Titles / headers | 673 | 673 | - |
| **Total number of taxonomy elements** | **5,242** | **5,247** | **+5** |

## Impact on the CIPC taxonomy

The IFRS 2021 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 2022 taxonomy for any possible differences. The updates described in the previous section would affect the CIPC annual XBRL taxonomy in a moderate manner and should not pose any difficulties in terms of their implementation.

From the technical perspective, changes performed by the IFRS Foundation are considered as non-critical, however may require certain updates by the SSP members in their software solutions to ensure correct processing and consumption of the taxonomy. In particular, application of HTTPS URIs might require some remapping by software providers, especially in case of local referencing of the taxonomy files. Moreover, application of DTR 1.1 may require some updates to the logic used by software in understanding the underlying technical data types of the elements present in the core taxonomy.

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

### IFRS-FULL structures affected by IFRS 2022 updates

In general, total of 7 extended link roles (i.e. placeholders for sub-sections of the financial statements) and their structure contents were updated in the IFRS taxonomy 2022, of which 1 extended link role was 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 |
| [610000] Statement of changes in equity | Updated | 1 | 0 |
| [800500] Notes - List of notes | Updated | 1 | 0 |
| [800610] Notes - List of material accounting policy information | Added | 97 | 0 |
| [810000] Notes - Corporate information and statement of IFRS compliance | Updated | 1 | 0 |
| [811000] Notes - Accounting policies, changes in accounting estimates and errors | Updated | 1 | 0 |
| [822390] Notes - Financial instruments | Updated | 2 | 0 |
| [836600] Notes - Insurance contracts (IFRS 17) | Updated | 1 | 0 |

A complete list of all new items that were introduced with the 2022 release of the IFRS taxonomy is provided in *Appendix A* to this document.

### IFRS-SMEs structures affected by IFRS 2022 updates

No changes to the IFRS Taxonomy for SMEs were incorporated in 2022 release, hence no amendments to the IFR-SME module of the CIPC taxonomy are required.

### IFRS elements modified in IFRS 2022 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 2022 taxonomy are presented in *Appendix B*.

In addition to the above detailed descriptions of the discrepancies observed between IFRS 2021 and 2022 versions of the taxonomy, an original versioning report, as published by the IASB, is attached in *Appendix C* 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: Co-operatives Act

## Background information

In October 2021, CIPC has issued Notice 52 of 2021 on *Filing of co-operative annual submission of information to the registrar (annual returns) and compliance requirements of annual financial statements (AFS) using XBRL*. This notice sets up a requirement for the co-operatives to submit their annual reports and annual returns in inline XBRL format, similarly as other reporting entities in South Africa falling under the XBRL mandate.

CIPC was of the opinion that the current XBRL taxonomy would be able to cater for the specific requirements of the co-operatives reporting in line with the Companies Act, Co-operatives Act, Co-operatives Amendment Act as well as the existing forms and templates used by the co-operatives in their reporting to the CIPC.

On 1st April 2022, the CIPC opened a pilot programme for the co-operatives and made available a modified version of the CIPC taxonomy 2021 with additional entry points, allowing the reporting entities to verify the ability to fulfil their reporting obligations with accounting concepts present in the annual taxonomy. In parallel, CIPC decided to conduct a more in-depth analysis of the relevant forms used by co-operatives to find areas in the taxonomy that could be complemented with additional elements.

## Scope of analysis

For the purposes of this gap analysis, CIPC focused on analysing forms and templates as indicated in the Notice 52 of 2021 per each category group of co-operatives. In particular, CIPC reviewed the following documents:

* *FORM CO-OP 4 –* that includes the information about appointment of auditor/independent reviewer and consent to act as or resignation by and removal of auditor/independent reviewer;
* *FORM CO-OP 7 –* that includes the information about assurance type for the annual report and information on any corrections or revisions of error or misstatement in the annual report;
* *FORM CO*-*OP 8 –* that includes the annual information on the co-operative (member statistics) and applicable fees payable by co-operatives to accompany submission of the report;
* *FORM CO-OP 15.1 –* that includes income statement and balance sheet information; and
* *FORM CO-OP 15.2* – that includes full set of primary financial statements and explanatory notes and disclosures as per selected financial reporting framework.

## Summary of observations

Based on the analysis of the existing *CO-OP* forms and the corresponding legal texts, it occurred that in general, the CIPC taxonomy covers most of the information requirements subject to co-operatives reporting, through the existing modules, specifically IFRS-FULL and IFRS-SMEs. There are, however, certain aspects of these forms that are not fully covered in the existing taxonomy structures:

* Additional declarations of auditors or independent reviewers relevant for the Auditor’s report and/or Independent reviewers’ report, stemming from the requirements of form CO-OP 4;
* Additional textual fields to provide clarifications related to the delay in submission of annual reports or related to the misstatements, stemming from the requirements of form CO-OP 7;
* Additional numeric fields to complement the annual statistical information about the co-operative, specifically number of associate members and types of memberships provided by the co-operative in a given year, stemming from the requirements of form CO-OP 8;
* Number of co-op specific accounting concepts and explanatory text blocks for notes and additional disclosures, stemming from requirements of forms CO-OP 15.1 and CO-OP 15.2; and
* Two additional reports required by the Co-operatives Act, related to the social and ethics aspects (i.e. Social Report) as well as managerial decisions (i.e. Management Decision Report).

## Impact on the CIPC taxonomy

In the course of the analysis it was discovered that a total of 40 elements have the potential to be incorporated into the CIPC taxonomy on top of the current scope, of which 18 are text block or string elements to mark-up notes, explanatory disclosures or other textual fields, another 16 are numeric elements to supplement the PFSs structures, and the remaining ones would find their use as true/false indicators or enumerations to cater for miscellaneous information presented in the existing forms.

To facilitate the reporting process for co-operative entities, it is recommended that separate entry points are provided where the existing IFRS structures will be modified / complemented with the new CO-OP-specific elements.

### New elements for tagging of the primary financial statements

The table below provides a list of new elements (together with the indication of specific form or regulation from which they derive) recommended for addition into the current CIPC taxonomy structures representing primary financial statement information scope:

|  |  |
| --- | --- |
| Element name | Source |
| Indivisible reserve | CO-OP 15.1/15.2 p.104,113 of Regulation |
| Loans to members | CO-OP 15.1/15.2 p.104,113 of Regulation |
| Loans to members, current | CO-OP 15.1/15.2 p.104,113 of Regulation |
| Loans to members, non-current | CO-OP 15.1/15.2 p.104,113 of Regulation |
| Members' contributions | CO-OP 15.1/15.2 p.104,113 of Regulation |
| Members' shares, Reserves and Liabilities | CO-OP 15.1/15.2 p.104,113 of Regulation |
| Staff loans | CO-OP 15.1/15.2 p.104,113 of Regulation |
| Loans from members | CO-OP 15.1/15.2 p.105,114 of Regulation |
| Mortgage loan | CO-OP 15.1/15.2 p.105,114 of Regulation |
| Increase / (decrease) in members contributions | CO-OP 15.2, p.116 of Regulation |
| Transfer to / (from) indivisible reserve | CO-OP 15.2, p.116 of Regulation |
| Proceeds from members' loans | CO-OP 15.2, p.117 of Regulation |
| Proceeds from mortgage loan | CO-OP 15.2, p.117 of Regulation |
| Repayment of members' loans | CO-OP 15.2, p.117 of Regulation |
| Repayment of mortgage loan | CO-OP 15.2, p.117 of Regulation |

Please note that the above list should be considered as complete to the extent of the performed analysis. There might be other elements which are not covered in the current taxonomy and therefore could be introduced in the scope. CIPC plans to extend this list with the future releases of the taxonomy and based on the feedback received from the relevant stakeholders.

### New elements for tagging of the notes, explanatory disclosures and accounting policies

Based on the selected forms being part of this analysis, a number of notes and explanatory disclosures were observed with no corresponding elements (or exact matches) in the IFRS scope of the CIPC taxonomy. To facilitate the reporting of those parts of the CO-OP reports, the following are proposed to be added into the CIPC 2022 taxonomy release:

|  |  |
| --- | --- |
| Element name | Source |
| Disclosure of principal activities [text block] | CO-OP 15.1p.103, of Regulation |
| Disclosure of Members’ Responsibility and Approval [text block] | CO-OP 15.2 p.110 of Regulation |
| Disclosure of Accounting Officer’s Report [text block] | CO-OP 15.2 p.111 of Regulation |
| Disclosure of Members’ Report [text block] | CO-OP 15.2 p.112 of Regulation |
| Disclosure of loans to members [text block] | CO-OP 15.2 p.126 of Regulation |
| Disclosure of member shares [text block] | CO-OP 15.2 p.127 of Regulation |
| Disclosure of staff loans [text block] | CO-OP 15.2 p.127 of Regulation |
| Disclosure of indivisible reserve [text block] | CO-OP 15.2 p.128 of Regulation |
| Disclosure of mortgage loan [text block] | CO-OP 15.2 p.128 of Regulation |
| Disclosure of loans from members [text block] | CO-OP 15.2 p.129 of Regulation |
| Disclosure of transactions with members [text block] | CO-OP 15.2 p.132 of Regulation |
| Description of accounting policy for indivisible reserve [text block] | CO-OP 15.2, p.122 of Regulation |

### New elements for tagging of the miscellaneous fields

Remaining new proposed additions to complement the CIPC taxonomy in various structures are presented as follows:

|  |  |
| --- | --- |
| Element name | Source |
| Appointment of auditor or independent reviewer | CO-OP 4 p.82 of Regulation |
| Change of name of firm of auditors or independent reviewers | CO-OP 4 p.82 of Regulation |
| Resignation of auditor or independent reviewer | CO-OP 4 p.83 of Regulation |
| Statement of no reportable irregularity | CO-OP 4 p.83 of Regulation |
| Statement of reporting a reportable irregularity to IRBA | CO-OP 4 p.83 of Regulation |
| Action intended to address the delays of submission | CO-OP 7 p.91 of Regulation |
| Reason for delay of submitting the annual report | CO-OP 7 p.91 of Regulation |
| General meeting’s discussions and considerations [text block] | CO-OP 7 p.91 of Regulation |
| Error or misstatements in annual report | CO-OP 7 p.92 of Regulation |
| Types of membership provided for by the co-operative | CO-OP 8 p.93 of Regulation |
| Number of associate members | CO-OP 8 p.93 of Regulation |
| Disclosure of Social Report [text block] | p.20 of Regulation |
| Disclosure of Management Decision Report [text block] | p.22 of Regulation |

## Recommendation

Current information scope of the CIPC taxonomy focuses on the IFRS reporting and does not cover for specific positions relevant under co-operatives reporting. It is crucial and therefore recommended to provide means for the CO-OP entities to fulfil their reporting obligations under CIPC by including the above-mentioned elements in the 2022 CIPC taxonomy update.

Appendix A – List of new elements added to IFRS 2022 taxonomy

The excel spreadsheet provides a complete list of all new reportable elements introduced with the release of the IFRS 2022:



Appendix B – List of elements modified in IFRS 2022 taxonomy

The excel spreadsheet provides a complete list of all modified elements from the IFRS 2022:



Appendix C – IFRS taxonomy 2022 versioning report



1. See: <https://www.ifrs.org/issued-standards/ifrs-taxonomy/ifrs-accounting-taxonomy-2022/> [↑](#footnote-ref-2)