

April 22, 2010

Mr. Olivier Servais
Director—XBRL Activities
IASC Foundation
30 Cannon Street
London EC4M 6XH
United Kingdom

Re: Exposure Draft of IFRS Taxonomy 2010

Dear Mr. Servais:

Deloitte & Touche LLP, on behalf of on behalf of Deloitte Touche Tohmatsu, is pleased to respond to the exposure draft of “IFRS Taxonomy 2010 (accompanying documentation to the proposed amendments to the IFRS Taxonomy 2009)” (the “exposure draft”).

We continue to support the efforts of the IASCF to create and maintain a high-quality taxonomy that will meet the needs of stakeholders seeking to use XBRL for financial reporting and analysis.

As discussed in greater detail below in our responses to the exposure draft’s questions, we believe that Questions 2 and 3 raise some fundamental issues regarding the taxonomy’s architecture, versioning, and update process that are beyond the intended scope of the final 2010 Taxonomy. Accordingly, we encourage the IASCF to solicit the views of interested stakeholders on the practicability of the IFRS taxonomy’s design. Such stakeholders include the XBRL Quality Review Team, the XBRL Advisory Council, implementers that develop supporting technology tools and solutions, extenders (i.e., countries, jurisdictions, and others that are building on and extending the IFRS taxonomy), and preparers that provide feedback.

Response to Question 1, Grouping of Sub-classifications

We agree that grouping sub-classifications in the manner described in the exposure draft may facilitate a user’s ability to search the taxonomy or otherwise identify concepts within the IFRS taxonomy. This proposed change does not affect the characteristics of an element (e.g., its item type, balance, period type), and consolidation of extended link roles (ELRs) as proposed in the exposure draft would benefit users that traverse the hierarchical structure of the presentation linkbase.

Response to Question 2, IFRS Publication References, and Question 3, Deprecated Schema

Although these questions are presented separately in the exposure draft, we believe they are inherently interrelated. The proposed approaches to (1) referencing different versions of IFRSs from the two publications cited in the exposure draft and (2) differentiating the deprecated schema from the core schema may be viable in the short term, but they raise fundamental questions regarding taxonomy and concept-versioning that are not addressed in the exposure

draft. The discussion below highlights certain limitations of the approach proposed in the exposure draft, and we therefore encourage the IASCF to consider whether a “perpetual taxonomy” construct might be better suited for long-term use and extensibility and whether such an approach would mitigate version-management-related issues. We also recognize, however, that other approaches may address these issues.

We define a “perpetual taxonomy” as a taxonomy in which each concept retains its identity and meaning in perpetuity within its given namespace. This concept is of critical importance to private, public, and governmental entities that rely partly or wholly on the IFRS taxonomy to create perpetual instance documents and long-lived taxonomy extensions. We believe that a viable way to create a perpetual taxonomy for IFRSs is to expand the current modular “Standard Approach,” as described in the “IFRS Taxonomy 2010 Architecture Draft,” to include the concepts themselves.

The monolithic taxonomy approach, which consists of a single namespace for all IFRS concepts, is inherently inefficient from an XML viewpoint. For example, if only one concept within the `ifrs-cor-yyyy-mm-dd.xsd` changes from year one to year two, the monolithic approach would dictate that all concepts need to be copied to the year two namespace from the year one namespace to effect the single change. However, the process of “copying” an element from one namespace to another creates an entirely new element, even if the element names are identical. XML-aware processors treat like-named elements in different namespaces as different elements — the direct effect of which is to introduce taxonomy/concept version-management challenges that could impair the development, maintenance, and comparability of IFRS extension taxonomies and the concepts defined within them.

A monolithic approach requires each IFRS extension taxonomy owner (e.g., company, governmental entity, stock exchange) to perform an annual — and potentially onerous — mapping/comparability undertaking. The risk associated with this approach is that extensions do not get updated in a timely manner, whether as a result of timing (i.e., not enough) or resource constraints, and comparability and accuracy are impaired. By contrast, a perpetual taxonomy would allow the extension taxonomy owner to focus on incremental changes to the taxonomy — an activity that can occur throughout the year as changes are introduced in new, revised, and amended IFRSs.

The Exposure Draft’s Approach Compared With a “Perpetual Taxonomy” Approach

Example 1: IAS 7, *Statement of Cash Flows*, was last revised in 1992. Aside from the amendments to it resulting from the issuance or revision of other IFRSs, its concepts have been stable for nearly two decades.

This long-term stability can and should be reflected in the IFRS taxonomy. Such a result would be achieved if each standard and the concepts within it were associated with a unique namespace. Namespaces can also be used to address amendments to concepts within a standard.

Example 2: The current effective version of IAS 24, *Related Party Disclosures*, was revised in December 2003; however, a revision was issued November 2009, and early application is permitted.

Creating a namespace for each revision of IAS 24 ensures that an entity that applies IAS 24 early is able to unambiguously reflect that in the XBRL instance document. A reporting entity that chooses to apply the standard early selects concepts from the IAS 24 2009 namespace. Alternatively, an entity that chooses not to apply the standard early continues to use concepts in the IAS 24 2003 namespace.

Under the concept-version approach in Question 2 of the exposure draft, an entity's instance document will be ambiguous if it chooses to apply IAS 24 early because a single concept will refer to both revisions of IAS 24.

A perpetual taxonomy, however, as it relates to the concepts discussed in Question 3, would not differentiate between "core" and "deprecated" concepts because all concepts would exist in perpetuity. If the intended purpose of deprecating a concept is to remove it from the "current" schema when it is superseded, then the perpetual taxonomy approach would be preferable because it accommodates past (superseded), present (effective), and future (issued but not fully effective) concepts simultaneously and unambiguously within a discoverable taxonomy set.

We appreciate the opportunity to comment on the exposure draft. If you have any questions concerning our comments, please contact Yossef Newman at +1-212-436-6424 or Gavin Marais at +27-11-209-8390.

Sincerely,

Deloitte & Touche LLP