

# FASB Taxonomy Advisory Group Meeting

---

**Date: October 17, 2019**

**Location: FASB Boardroom (5th floor, 401 Merritt 7, Norwalk, CT)**

## Contents

I. Agenda .....	3
II. Topics Discussed .....	4
III. Meeting Highlights .....	4
Session 1—Modeling for Reclassification Adjustments.....	4
Session 2—Lease Disaggregation by Arrangements.....	4
IV. Presentations .....	5

## I. Agenda

Session	Presenter
1 Modeling for Reclassification Adjustments	Laura
2 Lease Disaggregation by Arrangements	Hanna

## **II. Topics Discussed**

The Taxonomy staff sought feedback on Accounting Standards Update (ASU) modeling when there are reclassifications related to an ASU and for elements needed to disaggregate leases by various attributes, including contractual terms and type of underlying asset.

## **III. Meeting Highlights**

### **Session 1—Modeling for Reclassification Adjustments**

The Taxonomy staff sought feedback on an issue related to the optimal modeling for the disclosures of adjustments for reclassifications from ASUs. During the September 2019 TAG meeting, the majority of TAG members preferred the modeling approach to broaden the existing Revision of Prior Period [Axis] to include new members for adjustments for the following: reclassifications, ASUs, error corrections, and other changes in accounting principles. The issue presented relates specifically to ASUs that may have a mix of both adjustments for reclassifications and non-reclassifications (i.e., adjustments to net income, net assets, net liabilities, etc.). For those ASUs, it would be unclear which adjustment member(s) a filer should use for adjustments from reclassifications. The Taxonomy staff presented some examples from recent ASUs as well as two modeling options. With Option 1, the adjustments for reclassifications related to ASUs would be tagged with the member for reclassifications and the other non-reclassification type adjustments would be tagged with the member for an ASU adjustment. With Option 2, all the effects for both adjustments (reclassifications and non-reclassifications) would be tagged with the same member for ASU adjustment. The majority of TAG members preferred Option 2 (which is also the Taxonomy staff recommendation). The Taxonomy staff plans to move forward with implementing improvements related to the preferred modeling option into the 2020 Taxonomy and update the related Taxonomy Implementation Guide example.

### **Session 2—Lease Disaggregation by Arrangements**

The Taxonomy staff presented findings from research on dimensions that are currently used by filers for disaggregating lease information that found that most of the filers reported their lease information disaggregated by types of underlying assets. A commonly used dimension for this disaggregation was the “Property, Plant and Equipment, Type [Axis].” However, tagging the finance lease right-of-use asset with the “Property, Plant and Equipment, Type [Axis]” as labeled may not be appropriate because the right-of-use asset is not accounted for under the topic for property, plant and equipment (Accounting Standards Codification®(ASC) Topic 360). The Taxonomy staff discussed with TAG members two options for dimensions for disaggregating lease disclosures.

Option 1 would use a dimension that could accommodate multiple ways of disaggregating. The Taxonomy staff and TAG members were concerned that the use of such a broad dimension would result in members being added that were not mutually exclusive. There was a discussion about moving the “Lease Arrangement, Type [Axis]” out of the transition abstract in ELR 831000. The TAG members agreed that if it was located in ELR 842000, it might need to be re-defined. However, because it includes both underlying assets and contractual terms, members used with this axis might not be mutually exclusive.

Option 2 would use separate dimensions specifically for each commonly used disaggregation attribute. The Taxonomy staff suggested that attributes defined under specific ASC topics (for example, Topic 842 for a right-of-use asset under a lease or Topic 360 for property, plant and equipment) should be represented by a line item instead of a dimension. The Taxonomy staff and TAG members agreed that the “Property, Plant and Equipment, Type [Axis]” does not need to indicate whether an asset under this dimension is the filer’s property, plant and equipment and the labels should be modified.

Most TAG members supported Option 2 including a modification of the “Property, Plant and Equipment, Type [Axis].” The Taxonomy staff will locate certain existing dimensions that are currently used to disaggregate lease information to ELR 842000 and create a new dimension for disaggregation by lease contractual terms. The Taxonomy staff indicated that additional research will be performed to determine if finance lease right-of-use assets are commonly combined with property, plant and equipment in reporting and whether new elements are needed.

#### **IV. Presentations**

All of the presentations from the October 17, 2019 Taxonomy Advisory Group Meeting are provided as a [downloadable zip](#) file.