

FASB Taxonomy Advisory Group Meeting

Date: November 21, 2019

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

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I. Agenda

| Session | Presenter |
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| 1 Maturity Schedules — Label Changes | Donna |
| 2 Additional Lease Elements | Vickie |
| 3 Equity Method Investment Proportionate Consolidation | Kathy |
| 4 Transition Modeling Combinations | Melissa |
| 5 Transition of Topical Elements | Laura |
| 6 TIN for Usage in TIG | Donna |
| 7 September/October Meeting Highlights | Donna |
| 8 ASU Report | Donna |
| 9. Workflow Report | Donna |

II. Topics Discussed

Following the October TAG meeting, the Taxonomy staff sought feedback on the proposed improvements to the 2020 Taxonomy regarding maturity schedules with specific focus on the changes of element labels. The Taxonomy staff also discussed potential changes, additions and deprecations to elements under Topic 842. The Taxonomy staff provided information and example disclosures for proportionate consolidation of equity method investments including a proposal of new elements. The Taxonomy staff elicited feedback for tagging transition disclosures as illustrated in FAQ 2.13 and requested feedback to be considered prior to the issuance of the 2020 Taxonomy. A brief update was provided on the improvements to the 2020 Taxonomy for Taxonomy Implementation Notes (TIN) for elements used in Taxonomy Implementation Guides (TIG). The ASU report, meeting highlights and workflow summary reports were also made available but not discussed.

III. Meeting Highlights

Session 1—Maturity Schedules — Label Changes

The Taxonomy staff discussed the feedback received on the proposed improvements to the 2020 Taxonomy for maturity schedule elements. The improvements were made after a review of interim reporting for the lease payment analysis discovered diversity in practice for tagging the data. The feedback from service providers/preparers was generally opposed to the changes and from data users was to make the changes to improve data quality. The Taxonomy staff used the debt maturity schedule elements for further analysis and the analysis illustrated that the diversity in practice has been consistent over the past four years. There would be a one-time adjustment for filers and communication and guidance is needed. The majority of the TAG members supported making the change and some members that were opposed suggested that the elements should be deprecated and replaced rather than modified. The Taxonomy staff will consider the feedback and potential inclusion of the changes for the 2020 Taxonomy.

Session 2—Additional Lease Elements

The Taxonomy staff discussed the feedback received on the modeling of leases under Topic 842. The first issue related to the lack of dimensional structure for lease disclosures required by 842-20-50-2, 842-20-50-3, 842-30-50-2, and 842-30-50-3. The Taxonomy staff explained that a dimensional structure was not added to the Taxonomy until lease disclosures could be reviewed to determine common practice. After Topic 842 was implemented, the Taxonomy staff reviewed a large number of filings and recommended that the following dimensions be located in Presentation Group 842000: “Counterparty Name [Axis],” “Geographic Distribution [Axis],” and “Segments [Axis].” In addition, the Taxonomy staff recommended that the existing “Lease Arrangement, Type [Axis]” be deprecated as it represented multiple concepts and that led filers to extend member elements that were inconsistent. Instead of the “Lease Arrangement [Axis],” the Taxonomy staff suggested a new axis “Lease Contractual Term [Axis]” and domain “Lease Contractual Term [Domain]” be created and that the “Plant Property and Equipment [Axis]” be included but the standard label be revised to “Long-lived Tangible Asset [Axis]” to remove unnecessary attributes. Both the new dimension and the long-lived tangible asset

dimension would be located in Presentation Group 842000. TAG members supported the proposed changes.

The second issue related to new elements that could be used by filers to tag the disclosure of finance lease right-of-use assets when they are reported together with plant, property and equipment on the statement of financial position. The Taxonomy staff explained that the proposed modeling would allow filers to meet all of the GAAP requirements of both plant, property and equipment and the right-of-use asset under Topic 842 and would reduce the number of extensions. The Taxonomy staff proposed including this example in the 2020 version of the Leases under Topic 842 TIG. TAG members supported the Taxonomy staff's proposed modeling and the inclusion in the TIG.

The third issued related to the calculation link base and the elements that were being added together to arrive at "Long-term Debt and Lease Obligations." The Taxonomy staff received a comment and noted that "Operating Lease Liabilities Noncurrent" should not be categorized as debt, the Taxonomy staff removed it from that calculation and included it as a child of "Liabilities, Other than Long-term Debt, Noncurrent." TAG members did not object to this change.

The fourth issue related to the proposed deprecation of "Direct Costs of Lease and Rented Property or Equipment." After it was pointed out that Real Estate Investment Trusts (REIT) could not use the existing modeling because they report the cost associated with their leased (operating) and rented properties gross, the Taxonomy staff proposed keeping the element in the Taxonomy and revising the definition so that it was clear that it related to lessor costs associated with operating leases. TAG members did not object to this change.

The fifth issue related to the disclosure of operating lease liabilities when a filer reports using a classified statement of financial position. After implementation of Topic 842, the Taxonomy staff reviewed the filings of companies reporting operating leases and found that many mis-tagged their operating lease liabilities when they provided a classified statement of financial position. In addition, many did not clearly report the location of the current portion of lease liabilities when not separately reported on the statement of financial position. The Taxonomy staff suggested, and TAG members agreed that it would be helpful if an example highlighting how to tag both the current and noncurrent portion of the lease liabilities was added to the 2020 version of the Leases under Topic 842 TIG.

Lastly, the Taxonomy staff also found while reviewing filings post implementation of Topic 842, that many filers were using the "Operating Lease, Weighted Average Remaining Lease Term" and Finance lease, Weighted Average Remaining Lease Term" elements incorrectly (filers used the "Statistical Measurement [Axis]" with them. In addition, the Taxonomy lacked an element to report the remaining lease term of a group of leases that was not weighted. The Taxonomy staff proposed adding a new element for remaining lease terms and indicated that the XBRL US DQC had met prior to the November 21 TAG meeting and proposed a DQC rule that if filers used "Operating Lease, Weighted Average Remaining Lease Term" or "Finance Lease, Weighted Average Remaining Lease Term" with any member of the "Statistical Measurement [Axis]," it would be flagged as an error. No TAG members objected to the new element or the proposed DQC rule.

Session 3—Equity Method Investment Proportionate Consolidation

The Taxonomy staff provided information about a tagging issue for disclosures related to the proportionate consolidation of equity method investees in the construction and extractive industries. The proportionate consolidation information could not be accommodated with existing Taxonomy elements. Based on research results and discussion with TAG members, no new elements would be created, and filers would create their own extension elements to tag GAAP permitted proportionate consolidation. Possible DQC documentation would be added to suggest applicable extensions for filers if they elect proportionate consolidation.

Session 4—Transition Modeling Combinations

The Taxonomy staff sought feedback on the transition modeling and disclosures for amendments to the Accounting Standards Codification® (ASC) tagged in FAQ 2.13. This is in connection with the transition modeling outlined in the TIG, Accounting Standards Update Adoption Transition Modeling, and the application of that modeling to Accounting Standards Update 2019-08 *Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Codification Improvements—Share-Based Consideration Payable to a Customer (ASU 2019-08)* that was issued on November 11, 2019. The examples in FAQ 2.13 do not apply to the main provisions of ASU 2019-08, but rather the transition options provided in ASU 2019-08. The Taxonomy staff decided to include these examples as an FAQ instead of including them in the TIG referenced previously given that the transition requirements are so specific to ASU 2019-08. The Taxonomy staff outlined the three examples included in FAQ 2.13 and asked for feedback on the examples within the next several weeks prior to the issuance of the 2020 Taxonomy.

Session 5—Transition of Topical Elements

The Taxonomy staff sought feedback on the optimal approach for differentiating legacy modeling from new modeling within the scope of a topical project. The Taxonomy staff presented an example from the recent topical project (phase 1) related to ASC Topic 250 on accounting changes along with three options. Option 1 includes creating a new abstract element as parent of legacy modeling. Option 2 includes adding TINs on legacy elements to indicate that they are under review. Lastly, Option 3 includes retaining legacy elements as is until review (i.e., no change to the Taxonomy). TAG members preferred Option 1 (which is also the Taxonomy staff recommendation). The Taxonomy staff plans to move forward with Option 1 for the topical project related to ASC Topic 250 within the 2020 Taxonomy.

Session 6—TIN for Usage in TIG

The presentation was not given but the topic was briefly discussed to alert the TAG members to the improvements to the 2020 Taxonomy of including TINs for elements that are used in the TIGs. Potential development of categories for the different types of TINs will be considered for the future to assist with identifying and grouping the TINs.

Session 7—September/October Meeting Highlights

The highlights from the September and October meetings were provided but not discussed.

Session 8—ASU Report

The ASU report was provided but not discussed.

Session 9—Workflow Report

The workflow report was provided but not discussed.

IV. Presentations

All of the presentations from the November 21, 2019 Taxonomy Advisory Group Meeting are provided as a [downloadable zip](#) file.