

Session 4: Introducing more IFRS Principles of Disclosure—Will the Poor Disclosers Improve?

The discussion covered the following topics:

- One participant queried whether the academic literature indicates that the market reacts to poor disclosures.
 - A few other participants clarified that there is no direct evidence, only indirect by studies that examine the capital market consequences.
- Another participant questioned whether there is evidence of cases where firms have been punished by regulators because of poor disclosures.
 - the author clarified that there were a few cases in which the 'key audit matters' of the auditors' report referred to disclosures.
- Another participant mentioned that in Canada a regulator requires extra disclosures that are not publicly available
- Another participant recommended the authors to consider his study in IFRS 2 disclosures from French companies. His study shows that the existence of international investors is market driver for quality of disclosures.
- Another participant found the term 'compliance' confusing. What does it mean and what is comparability in the context of disclosures?
- Another participant queried whether there is evidence in academic literature of disclosure overload.
- One participant strongly recommended future studies test the principles of disclosures and stressed how difficult it is to determine the users' needs with regards to disclosures.