

International Financial Reporting Standards

Presentation of Items of Other Comprehensive Income

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The proposed amendment to IAS 1

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Proposed changes

- Require profit or loss and OCI to be shown as separate components of the **statement of profit or loss and other comprehensive income**
- Require separate presentation of OCI items that will and will not be reclassified (recycled)

This amendment does not...

- Address which items to present in OCI
- Change the measurement or presentation of net income
- Change the calculation of EPS

Why issue these proposals?

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Explicit presentation of reclassification

- Some OCI items are reclassified and some are not
- Current presentation does not make this and resulting impact on P/L clear

Presentation that allows users to assess relevance

- Proposal provides a clear distinction between net income and OCI while allowing users to assess the relevance of OCI items for their analysis
- All components of non-owner changes in equity should be presented transparently
- FASB making a similar proposal
- Increased use of OCI

General feedback

- Lack of conceptual basis for determining what should be presented as part of profit or loss and what should be presented in other comprehensive income should be addressed
- Lack of principles as to which OCI items should be reclassified (recycled) to profit or loss and when they should be recycled should be addressed

Feedback on ED proposals

- General support for the proposals:
 - To change the title of the statement
 - To present separately items of OCI based on whether they could be recycled or not
 - On income tax presentation
- Majority of the respondents opposed the proposal to remove the option to present all non-owner changes in equity in two statements