

STAFF PAPER

April 2013

REG IASB Meeting

Project	Conceptual Framework		
Paper topic	Presentation and disclosure Cover Paper		
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Background

1. This paper provides background information on AP 10G(a) *Draft discussion paper: Section 7 - Presentation and Disclosure*.
2. AP 10G(a) is a draft of the Presentation and disclosure section of the Conceptual Framework discussion paper (DP). It is a redraft of AP 5A *Draft discussion paper: Presentation and disclosure* from the March 2013 IASB meeting that has been updated to reflect comments made at that meeting. AP 10G(a) also includes some new topics for discussion by the IASB.
3. This paper:
 - (a) Summarises the main changes made to AP 5A;
 - (b) Summaries the new topics included in AP 10G; and
 - (c) Sets out questions for the IASB.

Main changes

4. The significant changes that have been made to AP 5A(a) are:
 - (a) Simplify the description of the objective of primary financial statements (paragraphs 19-21). Therefore the objective of primary financial

statements is now to provide information that is useful to users in their assessment of the entity's financial position and financial performance.

- (b) Include a discussion of the advantages and disadvantages of aggregation (paragraphs 24-25).
- (c) Simplify and focus the discussion of the relationship between primary financial statements (paragraph 34). The term cohesiveness has been removed to avoid confusion with the cohesiveness principles proposed in the *Financial Statement Presentation* project.
- (d) Clarify what types of 'forward-looking' and risk information should be included in financial statements (paragraphs 37-40).
- (e) Remove some discussion on faithful representation and replace it with a discussion about communication principles (see paragraph 5(b) below).

New topics

5. In addition, AP 10G(a) includes a discussion of topics that are being brought to the IASB for the first time. These topics are as follows:
- (a) Materiality (paragraphs 48-51);
 - (b) Communication principles (paragraph 54);
 - (c) Form of disclosure requirements (paragraphs 55 and 56); and
 - (d) Cost benefit considerations (paragraph 57).

Questions

Questions

1 Does the IASB agree with the main changes made to this section to reflect the discussion at the March 2013 IASB?

2 Do you have any comments on the new topics included in this section?

3 Do you have any comments on the proposed question for respondents to the DP (paragraph 58)?