

# STAFF PAPER

**December 2014**
**IASB Meeting**

<b>Project</b>	<b>Disclosure Initiative</b>		
Paper topic	Cover paper		
CONTACT(S)	Kristy Robinson	<a href="mailto:krobinson@ifrs.org">krobinson@ifrs.org</a>	+44 (0)20 7246 6933

This paper has been prepared by the staff of the IFRS Foundation for discussion at a public meeting of the IASB and does not represent the views of the IASB or any individual member of the IASB. Comments on the application of IFRSs do not purport to set out acceptable or unacceptable application of IFRSs. Technical decisions are made in public and reported in IASB *Update*.

---

**Purpose of this meeting**

1. At this meeting we are planning to discuss topics relating to the Principles of Disclosure research project in the Disclosure Initiative.
2. This paper describes:
  - (a) the papers for this meeting;
  - (b) an update on the Principles of Disclosure project; and
  - (c) next steps.

**Papers for this meeting**

3. The papers that we would like to discuss at this meeting are summarised in the table below.

Agenda Paper	Title
11	Cover paper
11A	Principles of Disclosure: cohesiveness in financial statements
11B	Principles of Disclosure: cash flow statements—‘cash and cash equivalents’ and the management of liquid resources

### **Update on the Principles of Disclosure project**

4. The topics we plan to cover in the Principles of Disclosure project are outlined in Appendix A including a brief description of the current status of each topic.
5. We anticipate completing the main discussions for the Discussion Paper in Q1 2015. The current work plan targets the publication of the Discussion Paper in mid-2015.

### **Next steps**

6. In January 2015 we plan to bring a paper as part of the Principles of Disclosure project on non-IFRS information in a complete set of financial statements. At that meeting we will also provide an update to the IASB on the ongoing work in its Disclosure Initiative.

## Appendix A—Principles of Disclosure – Proposed topics in the Discussion Paper

Proposed Section		Status
<b>1</b>	<b>Concepts for presentation and disclosure in financial statements</b>	
	The role of the primary financial statements and the notes	<ul style="list-style-type: none"> <li>• Discussed with the IASB in October 2014</li> <li>• Next steps:               <ul style="list-style-type: none"> <li>○ Follow-up discussion about better describing the content of the notes (instead of explanatory and supplementary information) planned for Q1 2015</li> <li>○ Drafting for the discussion paper</li> </ul> </li> </ul>
	Materiality	<ul style="list-style-type: none"> <li>• Discussed with the IASB in November 2014</li> <li>• Next steps:               <ul style="list-style-type: none"> <li>○ To describe in the Discussion Paper the rationale for retaining the current definition of materiality and to ask for feedback on this issue</li> <li>○ To propose to insert a paragraph in IAS 1 clarifying the key characteristics of materiality</li> </ul> </li> </ul>
	Communication principles	<ul style="list-style-type: none"> <li>• Discussed with the IASB in October 2014</li> <li>• Next steps:               <ul style="list-style-type: none"> <li>○ Drafting for the Discussion Paper</li> <li>○ Include a question whether the communication principles should be part of IFRS or education material</li> </ul> </li> </ul>
<b>2</b>	<b>Applying the concepts across a complete set of financial statements</b>	
	Aggregation/disaggregation	<ul style="list-style-type: none"> <li>• IASB discussion planned for Q1 2015</li> </ul>
	Grouping information/Cohesive depiction of entity's activities	<ul style="list-style-type: none"> <li>• For discussion at this meeting (Agenda Paper 11A)</li> <li>• Next steps dependent on the outcome of this month's discussions</li> </ul>
<b>3</b>	<b>Applying the concepts to the notes</b>	
	Improving objectives of note disclosures	<ul style="list-style-type: none"> <li>• Part of the discussion on the role of primary financial statements and the notes (see Section 1 above)</li> </ul>
	Materiality in the notes to the financial statements	<ul style="list-style-type: none"> <li>• To be covered by the materiality project</li> </ul>
	Order of information	<ul style="list-style-type: none"> <li>• Covered by the IAS 1 Amendments</li> </ul>
	Grouping information/Cohesive depiction of entity's activities	<ul style="list-style-type: none"> <li>• For discussion at this meeting (Agenda Paper 11A)</li> <li>• Part of the discussion applicable to a complete set of financial statements (see above)</li> </ul>

<b>Proposed Section</b>	<b>Status</b>
Consistency/comparability of note disclosures	<ul style="list-style-type: none"> <li>• IASB discussion planned for Q1 2015</li> </ul>
Cross-referencing	<ul style="list-style-type: none"> <li>• Discussed with the IASB in July and November 2014</li> <li>• Next steps:               <ul style="list-style-type: none"> <li>○ Drafting for the Discussion Paper</li> <li>○ Include a general principle for disclosing information required by IFRS outside of financial statements and incorporating such information into the financial statements by cross-referencing. Include some limits for the application of this principle.</li> </ul> </li> </ul>
Format of information	<ul style="list-style-type: none"> <li>• Discussed with the IASB in November 2014</li> <li>• Next steps:               <ul style="list-style-type: none"> <li>○ Drafting for the Discussion Paper</li> <li>○ Include high-level guidance on formatting that is applicable across IFRS</li> <li>○ Develop educational material on formatting</li> </ul> </li> </ul>
Accounting policies	<ul style="list-style-type: none"> <li>• Discussed with the IASB in September 2014               <ul style="list-style-type: none"> <li>○ Decision to include in the Principles of Disclosure project at that meeting</li> </ul> </li> <li>• Next steps               <ul style="list-style-type: none"> <li>○ Drafting for the Discussion Paper</li> <li>○ Discussions with the IASB to establish preliminary views – Q1 2015</li> </ul> </li> </ul>
<b>4 Non-IFRS information in financial statements</b>	<ul style="list-style-type: none"> <li>• IASB discussion planned for January 2014</li> </ul>
<b>5 Cash flows (Research led by the UK FRC)</b>	<ul style="list-style-type: none"> <li>• Discussed with the IASB in October 2014</li> <li>• Further discussions at this month's meeting (Agenda Paper 11B)</li> <li>• Next steps               <ul style="list-style-type: none"> <li>○ Drafting for the discussion paper</li> <li>○ Discussions with the IASB to establish preliminary views – Q1 2015</li> </ul> </li> </ul>
<b>6 Disclosures about changes in accounting policies and estimates (Research led by the OIC)</b>	<ul style="list-style-type: none"> <li>• IASB discussion planned for Q2 2015</li> </ul>
<b>7 Implications of recommendations</b>	<ul style="list-style-type: none"> <li>• Application to existing standards (Research led by the NZXRB)</li> <li>• Overview of potential amendments to IAS 1</li> <li>• Other implications for an overall review across all Standards</li> </ul>