

## STAFF PAPER

13–14 May 2014

## IFRS Interpretations Committee Meeting

IFRS IC Nov 2012  
IASB May 2013 and Nov 2013

Project	<b>Annual Improvements to IFRSs 2012–2014 Cycle (ED/2013/11) comment letter analysis</b>		
Paper topic	IAS 34 <i>Interim Financial Reporting</i> —Disclosure of information “elsewhere in the interim financial report” (Staff draft of the proposed amendments to IAS 34)		
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This paper has been prepared by the staff of the IFRS Foundation for discussion at a public meeting of the IFRS Interpretations Committee. Comments made in relation to the application of an IFRS do not purport to be acceptable or unacceptable application of that IFRS—only the IFRS Interpretations Committee or the IASB can make such a determination. Decisions made by the IFRS Interpretations Committee are reported in *IFRIC Update*. The approval of a final Interpretation by the Board is reported in *IASB Update*.

**Staff draft of the proposed amendment to IAS 34**

1. This paper presents the staff draft of the proposed amendments to IAS 34 derived from our recommendations in **Agenda Paper 17E**.
  - (a) **Appendix A** shows revisions to the wording in the currently effective Standard. The new text is underlined and deleted text is struck through.
  - (b) **Appendix B** shows revisions to the wording in the Exposure Draft ED/2013/11 Annual Improvements to IFRSs 2012–2014 Cycle published in December 2013. The new text is underlined and deleted text is struck through.

## Appendix A—Changes for finalising the amendment (highlighting differences from the currently effective Standard)

### Amendments to IAS 34 *Interim Financial Reporting*

Paragraph 16A is amended and paragraphs 16B and 55 are added. Deleted text is struck through and new text is underlined.

#### Other disclosures

- 16A In addition to disclosing significant events and transactions in accordance with paragraphs 15–15C, an entity shall include the following information, in the notes to its interim financial statements, ~~if not disclosed or~~ elsewhere in the interim financial report. The following disclosures shall be given either in the interim financial statements or incorporated by cross-reference from the interim financial statements to other information outside to the other part of the interim financial report that is available to users of the interim financial statements. These disclosures shall be made available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the information incorporated by cross-reference, the interim financial statements are report is incomplete. The information shall normally be reported on a financial year-to-date basis.
- (a) ...

#### Effective date

- ...
- 55 Annual Improvements to IFRSs 2012–2014 Cycle, issued in [date], amended paragraph 16A and added paragraph 16B. An entity shall apply those amendments retrospectively in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* for annual periods beginning on or after 1 January 2016. Earlier application is permitted. If an entity applies those amendments for an earlier period it shall disclose that fact.

## **Basis for Conclusions on the proposed amendment to IAS 34 *Interim Financial Reporting***

*This Basis for Conclusions accompanies, but is not part of, the proposed amendments.*

### **Other disclosures incorporated by cross-reference to other information outside the interim financial statements**

- BC7 The IASB received a request to clarify the meaning of ‘interim financial report’, as defined in IAS 34 *Interim Financial Reporting*. According to this request the definition of interim financial report in paragraph 4 of IAS 34 is not sufficiently clear with respect to whether the interim financial report covers only the information reported under IFRS (meaning the IFRS interim financial statements) or whether it also more generally includes management reports or other elements in addition to IFRS interim financial statements.
- BC8 The IASB observed that presenting information ‘elsewhere in the interim financial report’ in accordance with paragraph 16A of IAS 34 is unclear, because it may either suggest that the required information should be provided in the notes to the interim financial statements or that it may be presented elsewhere.
- BC9 In the Exposure Draft *Annual Improvements to IFRSs 2012–2014 Cycle* (the ‘ED’) published in December 2013, the IASB proposed to clarify that an entity discloses information elsewhere in the interim financial report when it incorporates disclosures by cross-reference to other information outside the interim financial statements (for example, information in another statement or report). The IASB observed that if the disclosures required by paragraph 16A of IAS 34 are presented outside the interim financial statements, they should be available to users of the interim financial statements on the same terms as the interim financial statements and at the same time.
- BC10 In response to the comments received on the ED, the IASB observed that on the basis of the definition of interim financial report in paragraph 4 of IAS 34, along with the guidance in paragraph 8 of IAS 34, an interim financial report includes a set of condensed financial statements and selected explanatory notes. The IASB decided to further clarify that the proposed amendment is not extending the scope of the interim financial report, because the disclosures required in paragraph 16A(a)–(k) of IAS 34 are part of the selected explanatory notes (and consequently part of the interim financial report) despite being presented in another location outside the financial statements, otherwise the interim financial report would be considered incomplete.
- BC11 In response to the comments received on the ED the IASB further observed that disclosures are made available to users ‘on the same terms as the interim financial statements’ when users have access to the referenced material on the same basis and on the same terms as they have for accessing the financial statements where the reference is made from.

## Appendix B—Changes from the Exposure Draft published in December 2013 following our recommendations in this paper

### Proposed amendment **Amendments to IAS 34 Interim Financial Reporting**

Paragraph 16A is amended and paragraph-paragraphs 16B and 55 isare added. New text is underlined and deleted Deleted text is struck through and new text is underlined.

#### Other disclosures

- 16A In addition to disclosing significant events and transactions in accordance with paragraphs 15–15C, an entity shall include the following information, in the notes to its interim financial statements, ~~if not disclosed or~~ elsewhere in the interim financial report. The following disclosures below shall be given either in the interim financial statements or incorporated by cross-reference from the interim financial statements to other information outside to the other part of the interim financial report that is available to users of the interim financial statements. These disclosures shall be made available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the information incorporated by cross-reference, the interim financial statements are report is incomplete. The information shall normally be reported on a financial year-to-date basis.
- (a) ...

#### Effective date

- 55 Annual Improvements to IFRSs 2012–2014 Cycle, issued in [date], amended paragraph 16A- and added paragraph 16B. An entity shall apply that amendment those amendments retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors for annual periods beginning on or after 1 January 2016. Earlier application is permitted. If an entity applies that amendment those amendments for an earlier period it shall disclose that fact.

## Basis for Conclusions on the proposed amendment to IAS 34 *Interim Financial Reporting*

*This Basis for Conclusions accompanies, but is not part of, the proposed amendments.*

### Other disclosures incorporated by cross-reference to other information outside the interim financial statements

- ~~BC1~~BC7 The IASB received a request to clarify the meaning of ‘interim financial report’, as defined in IAS 34 *Interim Financial Reporting*. ~~The issue~~According to this request the definition of interim financial report in paragraph 4 of IAS 34 is not sufficiently clear with respect to whether the interim financial report covers only the information reported under IFRS (meaning the IFRS interim financial statements) or whether it also more generally includes management reports or other elements in addition to IFRS interim financial statements.
- BC8 The IASB observed that presenting information ‘elsewhere in the interim financial report’, ~~as described in accordance with paragraph 16A of IAS 34, means is unclear, because it may either suggest~~ that the required information should be provided in the notes to the interim financial statements or ~~if it means that they~~it may be presented elsewhere.
- ~~BC2~~ BC9 The IASB proposes amendments In the Exposure Draft *Annual Improvements to paragraph 16A of IAS 34—IFRSs 2012–2014 Cycle* (the ‘ED’) published in December 2013, the IASB proposed to clarify the meaning of disclosure of that an entity discloses information ‘elsewhere in the interim financial report’ and to require the inclusion of a cross-reference from the interim financial statements to the location of this information. If report when it incorporates disclosures by cross-reference to other information outside the interim financial statements (for example, information in another statement or report). The IASB observed that if the disclosures required by paragraph 16A of IAS 34 are presented outside the interim financial statements, those disclosures they should be available to users of the interim financial statements on the same terms as the interim financial statements and at the same time.
- ~~BC3~~ The IASB notes that ~~the proposed amendments would extend the scope of the financial statements to include the disclosure presented elsewhere in the interim financial report.~~
- BC10 In response to the comments received on the ED, the IASB observed that on the basis of the definition of interim financial report in paragraph 4 of IAS 34, along with the guidance in paragraph 8 of IAS 34, an interim financial report includes a set of condensed financial statements and selected explanatory notes. The IASB decided to further clarify that that the proposed amendment is not extending the scope of the interim financial report, because the disclosures required in paragraph 16A(a)–(k) of IAS 34 are part of the selected explanatory notes (and consequently part of the interim financial report) despite being presented in another location outside the financial statements, otherwise the interim financial report would be considered incomplete.
- BC11 In response to the comments received on the ED the IASB further observed that disclosures are made available to users ‘on the same terms as the interim financial statements’ when users have access to the referenced material on the same basis and on the same terms as they have for accessing the financial statements where the reference is made from.