

STAFF PAPER

October 2014

REG IASB Meeting

Project	Conceptual Framework
Paper topic	Review of the existing Standards for potential inconsistencies with the <i>Conceptual Framework</i> Exposure Draft – Cover paper
CONTACT(S)	Jelena Voilo jvoilo@ifrs.org +44 207 246 6914

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*.

Introduction

1. The objective of this session is to discuss the review of the existing IFRSs for potential inconsistencies with the *Conceptual Framework* Exposure Draft.
2. The Discussion Paper *A Review of the Conceptual Framework for Financial Reporting* states the IASB will not necessarily change any of the existing Standards for any areas discussed in the *Conceptual Framework*. Any changes would require the IASB to go through its normal due process for adding a project to its agenda and for developing an Exposure Draft and an amendment to that Standard.
3. Many respondents to the Discussion Paper expressed the view that the IASB should undertake and publish a review of existing Standards and Standards under development to identify potential inconsistencies with the concepts proposed for the revised *Conceptual Framework*. The staff have conducted such review. The findings of this review are summarised in Agenda Paper 10D. The staff recommend that the IASB:
 - (a) publishes an explanation of the implications of its proposed changes to the *Conceptual Framework*; and
 - (b) includes that explanation in the Basis for Conclusions accompanying the *Conceptual Framework* Exposure Draft.

Agenda Paper 10D provides a summary of points to be included in the explanation of the implications of the proposed changes to the *Conceptual Framework*.

4. In addition, the review has highlighted a number of areas where we think changes could be necessary:
 - (a) Agenda Paper 10F discusses whether some Standards should be updated to refer to the revised *Conceptual Framework* rather than to the *Framework for the Preparation and Presentation of Financial Statements*;
 - (b) Agenda Paper 10G discusses whether to clarify the term ‘reliability’ in the Standards; and
 - (c) Agenda Paper 10H discusses whether any amendments are needed to IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

5. We do not believe that changes proposed in AP10F –10H change the substance of these Standards. However, we believe that these changes are necessary because, without them, the Standards would be unclear or potentially misleading. We recommend exposing the proposed amendments to the existing Standards alongside the *Conceptual Framework Exposure Draft*.