

International Financial Reporting Standards

Disclosure Initiative Standards-level Review of Disclosures project: Initial phase proposal

IASB Meeting December 2015

The views expressed in this presentation are those of the presenter, not necessarily those of the IASB or IFRS Foundation.

Purpose of the discussion

- To get the IASB's view on the proposed approach and timing of the project on the Standards-level Review of Disclosures.
- Specific issues to be considered include:
 - scope, approach and timing of the initial phase of the project;
 - content, form and due process of a Drafting Guide for IASB internal use; and
 - decision point after the initial phase is complete.

Agenda

1. Objective and output of the project
2. Some issues with our current disclosure requirements
3. Proposed approach – initial phase of project
4. Proposed content of the Drafting Guide
5. Initial phase of the project complete – what next?

Objective and output of the project

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Objective and output

- The objective of the project is to enable the IASB to write better disclosure requirements.
- To achieve this objective, the IASB will:
 - develop a Drafting Guide for its internal use; and
 - use this guide for writing future disclosure requirements and amending disclosure requirements in current Standards.

Some issues with our current requirements

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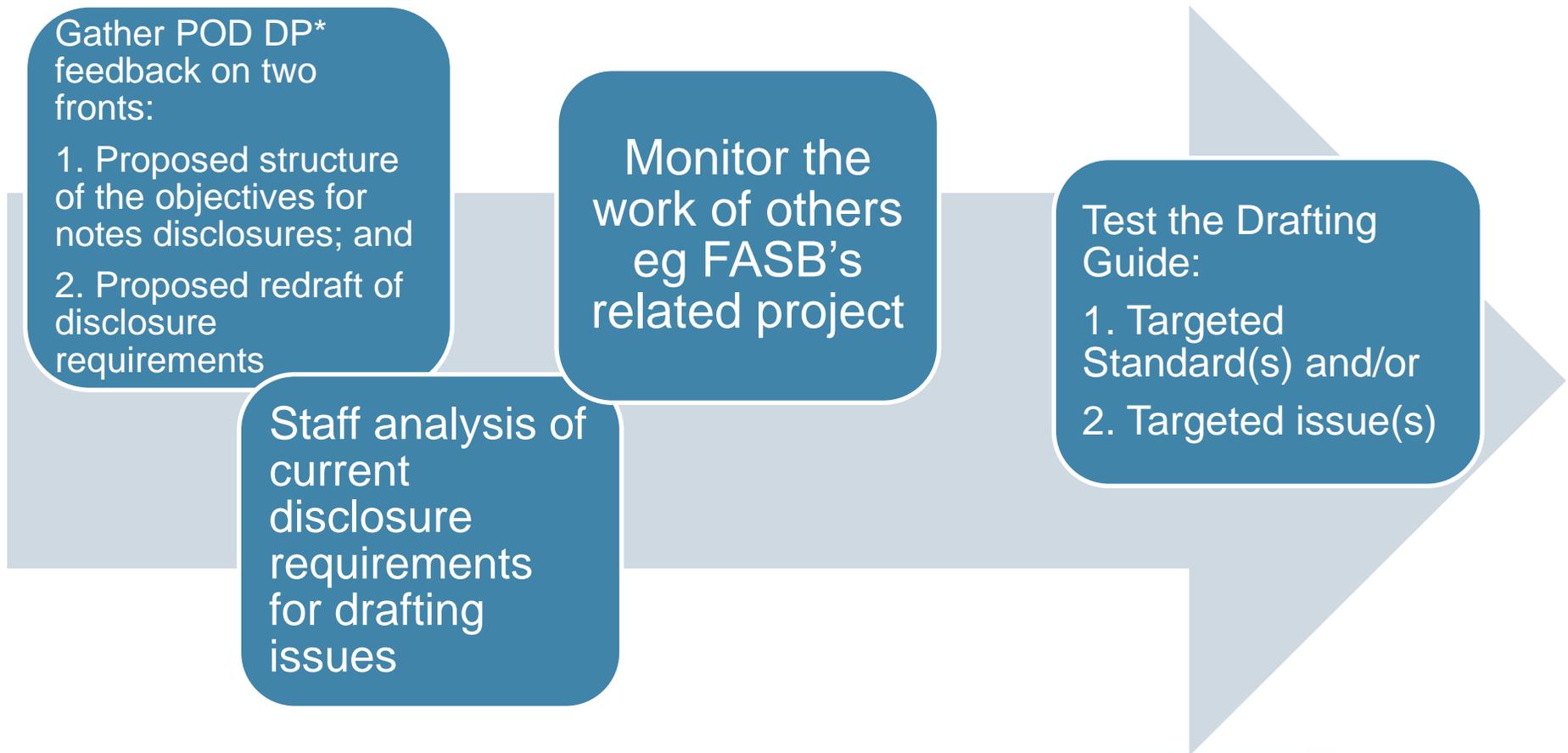
Some of the issues with our drafting

- Some specific Standards are often described as contributing to disclosure overload
 - eg IFRS 2, IFRS 3, IFRS 7, IAS 19;
- Some specific issues about the way we write disclosure requirements are problematic, eg
 - Overly-prescriptive language
 - eg use of ‘at a minimum’, ‘must’, ‘should’ within current requirements; and
 - Absence of clear objectives within each Standard explaining what might be disclosed and why;
- We think that the development of a Drafting Guide for use by the IASB would be helpful.

Proposed approach – initial phase of project

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Initial phase: develop and test a Drafting Guide

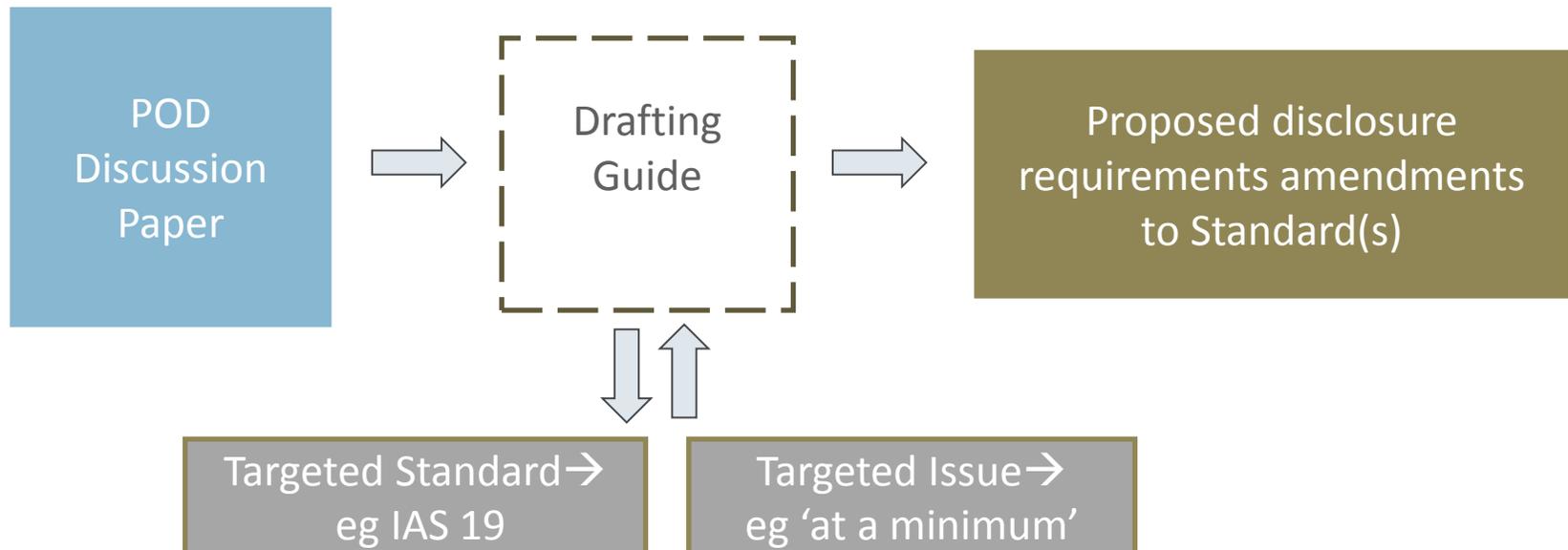


*Principles of Disclosure Discussion Paper

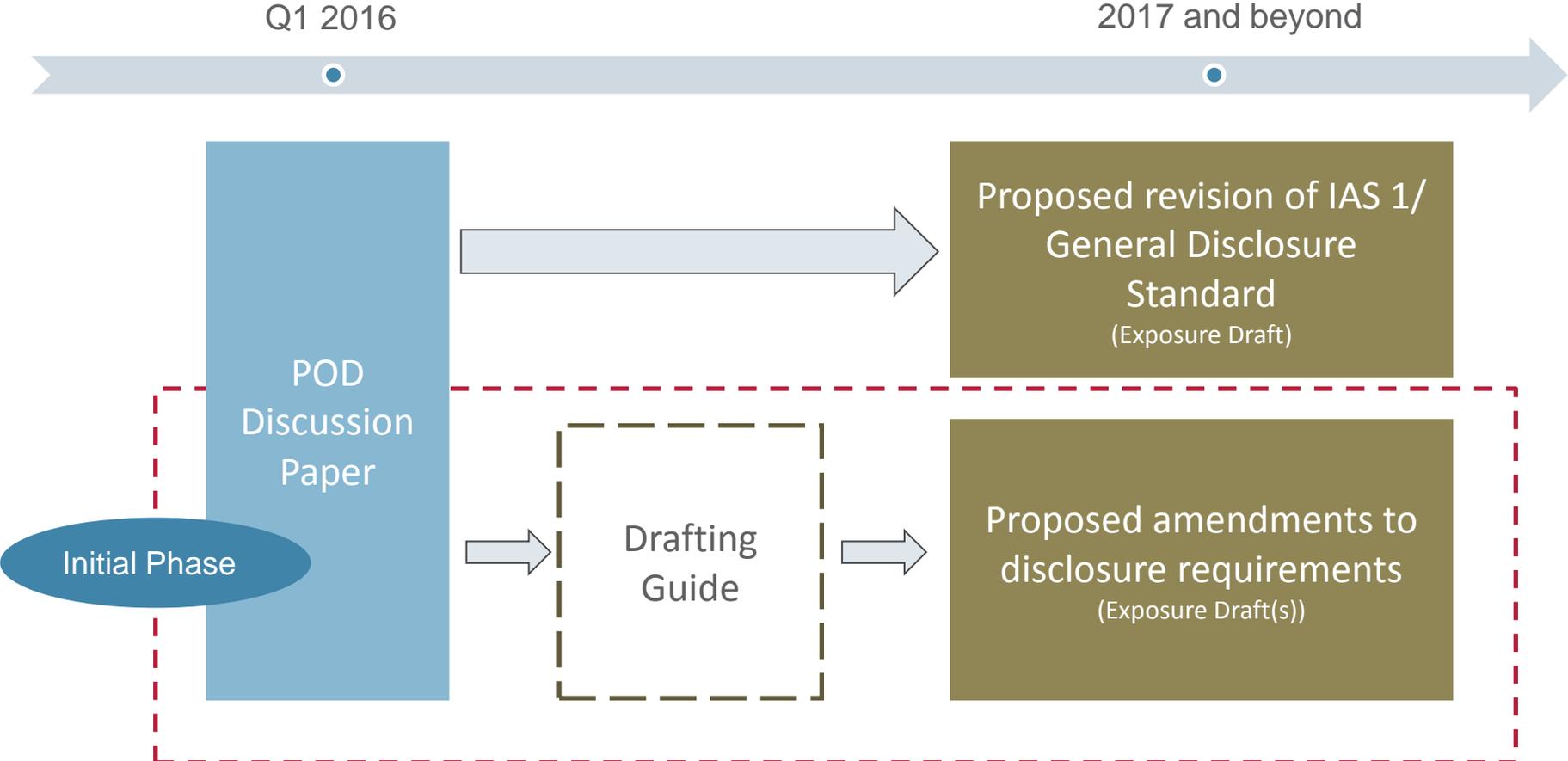
Proposed approach – initial phase steps

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1. Develop Drafting Guide
2. Test against a targeted Standard and/or issue
2. Finalise Drafting Guide
3. Issue Exposure Draft(s) of Standard(s) with amended disclosure requirements



Proposed approach – initial phase timing



Possible content of the Drafting Guide

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- *Guidelines* on how to write better disclosures reflecting the problems/issues identified
 - eg use language that is not overly prescriptive;
- *Processes* that would help with applying the *guidelines*
 - eg identify appropriate level and timing of the discussions about disclosures when writing new or amending Standards;
- *Tools* that would help with implementing the *guidelines* and the *processes*:
 - eg improved technology tools to aid in seeing all existing disclosure requirements by different ‘views’, such as by concept, type, issue (eg by business activity, maturity analysis, or use of synonyms).

- Living document/approach
 - we view it as a ‘living document’ that will be continuously updated when we review existing Standards, write new Standards, conduct internal research, participate in outreach, etc.
- Form & Due Process
 - if it is a living document, then this has implications for its form, which, in turn, affects the necessary due process;
 - we recommend that its contents should be made public without exposing it for comment.

Initial phase complete—what next?

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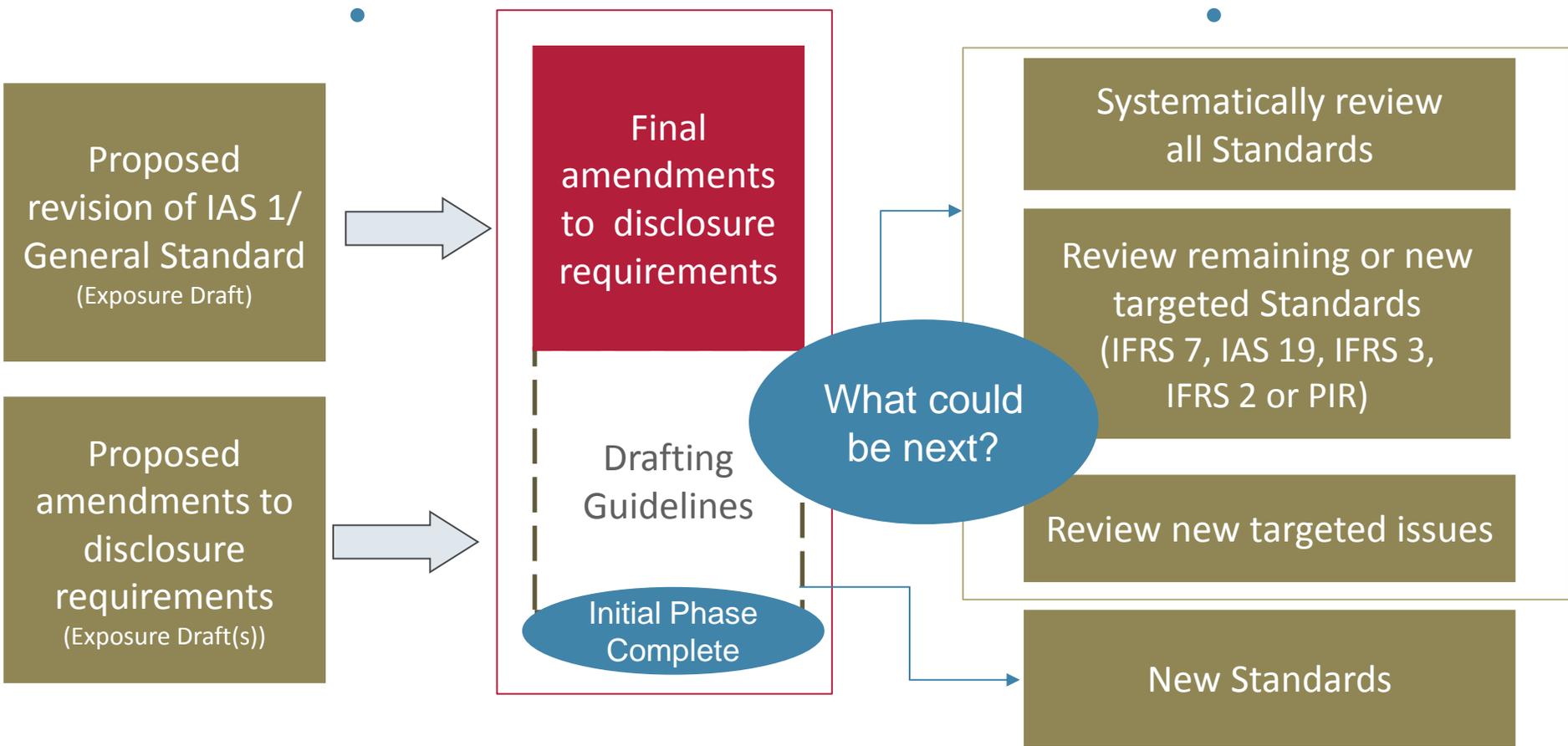
After the initial phase, what next?

- IASB to decide among various options after initial phase complete
 - eg use Drafting Guide to:
 - Focus only on new Standards;
 - Review all current Standards;
 - Review current Standards only when reopened for any reason, such as Post-Implementation Reviews;
 - Review remaining or new targeted Standards
 - Review additional drafting issues not addressed in initial phase; or
 - Various combinations of the above.

Next phase – big picture

2017 and beyond

2018 and beyond



Request for IASB's views

1. Do you agree with the objective and output of the project?
2. Do you agree with an initial phase that consists of the described approach and timing as illustrated in Slide 11?
3. Do you agree with the proposed Drafting Guide content and approach, and with making it public, but not exposing it for comment?
4. Do you agree with completing the initial phase before deciding on the next phase approach, as illustrated in Slide 17?
5. Do you agree with including a description of the approach and phases of this project within the POD DP?