

# STAFF PAPER

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## Prepared for the joint Capital Markets Advisory Committee and Global Preparers Forum Meeting

Project	Conceptual Framework		
Paper topic	Cover paper		
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This paper has been prepared for discussion at a public meeting of the CMAC and GPF. The views expressed in this paper reflect the individual views of the author and not those of the IASB nor of the IFRS Foundation. Comments made in relation to the application of an IFRS do not purport to be acceptable or unacceptable application of that IFRS.

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### Purpose of this meeting

- The purpose of this meeting is to get feedback from the CMAC and GPF members on the *Conceptual Framework* Exposure Draft proposals in the following areas:
  - Measurement—Agenda paper 2C includes extracts from the measurement chapter of the Exposure Draft that describe various measurement bases and the factors to consider when selecting a measurement basis
  - Reporting financial performance —Agenda paper 2B includes extracts from the presentation and disclosure chapter of the Exposure Draft that discuss the presentation of information about financial performance and, in particular, when income and expenses should be reported outside the statement of profit or loss (in other comprehensive income).
- Each paper includes questions which we would like CMAC and GPF members to discuss at the meeting.

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Information about the Capital Markets Advisory Committee (CMAC) is available at <http://www.ifrs.org/The-organisation/Advisory-bodies/CMAC/Pages/CMAC.aspx>

Information about the Global Preparers Forum (GPF) is available at <http://www.ifrs.org/The-organisation/Advisory-bodies/Pages/Global-preparers-forum.aspx>

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## Background

3. The *Conceptual Framework* describes the objective of and concepts for financial reporting. The purpose of the *Conceptual Framework* is to:
  - (a) assist the IASB to develop Standards that are based on consistent concepts;
  - (b) assist preparers to develop consistent accounting policies when no Standard applies to a particular transaction or event, or when a Standard allows a choice of accounting policy; and
  - (c) assist all parties to understand and interpret the Standards.
4. The existing *Conceptual Framework* has proved useful to the IASB when it develops and revises Standards. However, there are gaps (eg on derecognition, on selection of a measurement basis and on presentation and reporting financial performance) and some areas are unclear or need updating. Hence, the IASB has a project to update the *Conceptual Framework*. On 28 May 2015, the IASB issued an Exposure Draft of a revised *Conceptual Framework* (the 'Exposure Draft'). It has a comment period of 150 days.