

STAFF PAPER

March 2015

IASB Meeting

Project	Disclosure Initiative
Paper topic	Cover paper
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Purpose of this meeting

1. At this meeting we are planning to discuss topics relating to the following projects in the Disclosure Initiative:
 - (a) Principles of Disclosure (research project); and
 - (b) Materiality (research project).
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 following table.

Agenda Paper	Title
11	Cover paper
11A	Materiality—Practice Statement: Application of materiality to financial statements
11B	Principles of Disclosure—Role of financial statements excluding the notes

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, which includes a brief description of the current status of each topic.
5. We anticipate completing the main discussions for the Discussion Paper in Q2 2015. The current work plan is targeting publication of the Discussion Paper in Q4 2015.

Next steps

6. In April 2015 we plan to bring the following papers as part of the Principles of Disclosure project :
 - (a) Review of Existing Standards—A paper presented by the New Zealand standard-setter (NZ XRB);
 - (b) Aggregation in the context of disclosures;
 - (c) Accounting policies—follow-up paper to establish preliminary views; and
 - (d) Content of the notes—follow-up paper to establish preliminary views.
7. We are also planning to bring the following papers as part of the Materiality project:
 - (a) Practice Statement: Application of materiality to financial statements—Summary of the due process & Permission for balloting ; and
 - (b) The proposed changes to IAS 1.

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

Proposed Section		Status
1	Concepts for presentation and disclosure in financial statements	
	The role of the primary financial statements and the notes	<ul style="list-style-type: none"> • Discussed with the IASB in October 2014 followed by a discussion regarding the 'Role of financial statements excluding the notes' in this meeting (Agenda Paper 11B) • Next steps: <ul style="list-style-type: none"> ○ Follow-up discussion regarding the 'content of the notes—explanatory and supplementary information' is planned for April 2015
	Materiality	<ul style="list-style-type: none"> • Discussed with the IASB in November 2014 followed by a discussion on the content and initial drafting of the Practice Statement in this meeting (Agenda Paper 11A) • Follow-up discussion on the proposed changes to the materiality guidance in IFRS is planned for April 2015 • Next steps: <ul style="list-style-type: none"> ○ To describe in the Discussion Paper the rationale for retaining the current definition of materiality and to ask for feedback on this issue ○ To propose to insert a paragraph in IAS 1 clarifying the key characteristics of materiality
	Communication principles	<ul style="list-style-type: none"> • Discussed with the IASB in October 2014 • Next steps: <ul style="list-style-type: none"> ○ Drafting for the Discussion Paper ○ Include a question on whether the communication principles should be part of IFRS or education material
2	Applying the concepts across a complete set of financial statements	
	Aggregation/disaggregation	<ul style="list-style-type: none"> • IASB discussion planned for April 2015 • Link into the discussion on materiality planned also for April
	Grouping information/Cohesive depiction of entity's activities	<ul style="list-style-type: none"> • Discussed with the IASB in October 2014 • Next steps: <ul style="list-style-type: none"> ○ Drafting for the Discussion Paper
3	Applying the concepts to the notes	

Proposed Section	Status
Grouping information/Cohesive depiction of entity's activities	<ul style="list-style-type: none"> • Discussed with the IASB in December 2014 • Part of the discussion applicable to a complete set of financial statements (see above) • Next steps: <ul style="list-style-type: none"> ○ Drafting for the Discussion Paper
Consistency/comparability of note disclosures	<ul style="list-style-type: none"> • IASB discussion planned for Q2 2015
Cross-referencing	<p>Discussed with the IASB in July and November 2014</p> <ul style="list-style-type: none"> • Next steps: <ul style="list-style-type: none"> ○ Drafting for the Discussion Paper
Format of information	<ul style="list-style-type: none"> • Discussed with the IASB in November 2014 • Next steps: <ul style="list-style-type: none"> ○ Drafting for the Discussion Paper ○ Include high level guidance on formatting, which is applicable across IFRS ○ Develop educational material on formatting
Accounting policies	<ul style="list-style-type: none"> • Discussed with the IASB in September 2014 <ul style="list-style-type: none"> ○ Decision to include in the Principles of Disclosure project at that meeting • Next steps <ul style="list-style-type: none"> ○ Drafting for the Discussion Paper ○ Discussion with the IASB to establish preliminary views is planned for April 2015
4 Non-IFRS information in financial statements	<ul style="list-style-type: none"> • Discussed with the IASB in February 2015 • Next steps <ul style="list-style-type: none"> ○ Drafting for the Discussion Paper
5 Cash flows (Research led by the UK FRC)	<ul style="list-style-type: none"> • Discussed with the IASB in October and December 2014 • Next steps <ul style="list-style-type: none"> ○ Moved into the performance reporting project ○ UK FRC will carry out research jointly with the IASB
6 Disclosures about changes in accounting policies and estimates (Research led by the OIC)	<ul style="list-style-type: none"> • IASB discussion planned for May 2015
7 Implications of recommendations	<ul style="list-style-type: none"> • Application to existing Standards—discussion planned for April 2015 (Research led by the NZXRB) • Overview of potential amendments to IAS 1 • Other implications for an overall review across all Standards