

Discussion Paper *Principles of Disclosure*

Accounting Standards Advisory Forum meeting
July 2017

ASAF agenda paper 2

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Objective of the session

- To provide an overview on the outreach activities carried out or planned to date for the Discussion Paper *Principles of Disclosure* (the Discussion Paper) and comments received so far—slides 3–7
- To ask you to share any feedback gathered to date so that (slide 8):
 - we can get a better idea of areas of overall agreement or concern; and
 - other ASAF members can investigate whether any concerns are also be present in their jurisdictions.

- **Outreach activities through national standard-setters**
 - Europe—We have participated in outreach events carried out by some European jurisdictions covering different stakeholders in June. Other outreach events are also planned for July and September.
 - Canada—We have participated in outreach activities with the academic and user advisory councils in June. Participation in another event is planned for July.
 - Asia—We will be participating in outreach events carried out by some Asian jurisdictions with different stakeholders during August and September.
 - Oceania—We have participated in outreach events covering different stakeholders in June.
 - Latin America—We have participated in a presentation of the Discussion Paper in June.

- **Outreach activities with regulators**

- We have had meetings with securities regulators and banking regulators to inform them about the Discussion Paper and gather initial feedback during April and May. Additional discussions are planned for July.

- **Outreach activities with accounting firms**

- We have had meetings with some of the big accounting firms during May and June. Additional meetings are expected during July-September.

- **Meetings with IFRS advisory bodies**

- We received recommendations for outreach from members the Capital Markets Advisory Committee (CMAC) in March and from the IFRS Advisory Council in April.
- We discussed some sections of the Discussion Paper with members of CMAC and Global Preparers Forum (GPF) at their joint meeting in June.

- **Other outreach activities**

- We have had meetings with preparers from the oil & gas industry from various jurisdictions and with an European representative group of preparers in June.
- We met a user from the Investors in Financial Reporting Programme in June. We plan to have meetings with individual users and user groups in July-September. We are also planning to hold a workshop with users by the end of the comment period.
- We have had meetings with European professional accounting organisations in June.

High level comments so far

- **Overall support for the project.** The table includes **very high level comments** received so far for each of the sections of the Discussion Paper:⁽¹⁾

Sections	Comments
<ul style="list-style-type: none"> Principles of effective communication Roles of the primary financial statements and the notes Accounting policies 	<ul style="list-style-type: none"> Stakeholders do not generally raise many concerns on these sections. Should there be a hierarchy within the principles of effective communication? Are they all equally relevant? Role of the notes do not only supplement primary financial statements but have information value in their own right.
<ul style="list-style-type: none"> Location of information Use of performance measures 	<ul style="list-style-type: none"> Stablishing the boundaries between the categories of information (ie categories B and C) is found to be challenging. Different aspects of the suggested principles dealing with location of information are challenged. Users typically welcome the requirements for fair presentation; other stakeholders challenge some of the proposed requirements. If non-gaap measures are fairly presented, would these then become IFRS information? Do not define unusual and infrequently occurring items but provide parameters to delineate their population.

(1): None of the stakeholders we met expressed their final views on the Discussion Paper. The summary of the comments in the table has not been prepared on the basis of a detailed analysis of all comments received so far and therefore should be taken with caution.

High level comments so far—*continued*





Sections	Comments
<ul style="list-style-type: none">Centralised disclosure objectivesApproach developed by the staff of the NZ ASB	<ul style="list-style-type: none">A few preparers expressed a preference for Method A.The disclosure objectives of the examples illustrating the NZ ASB approach may be too generic.Preference for having disclosure requirements grouped by topics vs having all in one single Standard.
<ul style="list-style-type: none">Disclosure problem	<ul style="list-style-type: none">Do not recommend to redraft all Standards but to focus on improving a few (eg IFRS 7).Disclosure overload should be addressed.
<ul style="list-style-type: none">Other	<ul style="list-style-type: none">Interaction between the principles in the Discussion Paper and digital and integrated reporting.Whether the different suggested requirements will be authoritative or non-authoritative will have an impact on behaviours. This aspect needs careful consideration.

Questions to ASAF members


- What have been the sections in the Discussion Paper in which stakeholders have:
 - a) typically expressed agreement?
 - b) have raised most concerns? What are these concerns?
- Is there anything else that you would like to share that can be useful to other jurisdictions undertaking outreach activities?

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