

Joint CMAC-GPF meeting, 14-15 June 2018
Agenda Paper 2

Targeted Standards-level Review of Disclosures

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Objective of this session

- To ask CMAC and GPF members' advice about which Standard(s) the Board should select for a targeted standards-level review of disclosures.
- Based on feedback received to date, we have shortlisted 9 Standards

We would like each breakout group to identify three Standards from that shortlist that you think we should consider for the Standards-level review of disclosures and list them in order of priority

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Project Background

March 2017 Principles of Disclosure Discussion Paper

- In March 2018, we discussed feedback on the Discussion Paper with both GPF and CMAC.
- Since then, the Board has made a number of decisions about project next steps. This included:

Moving some of the topics to the Primary Financial Statements project

Not pursuing topics considered to be of relatively low priority at this time

Focusing on a targeted standards-level review of disclosure requirements

Targeted Standards-level Review of Disclosures

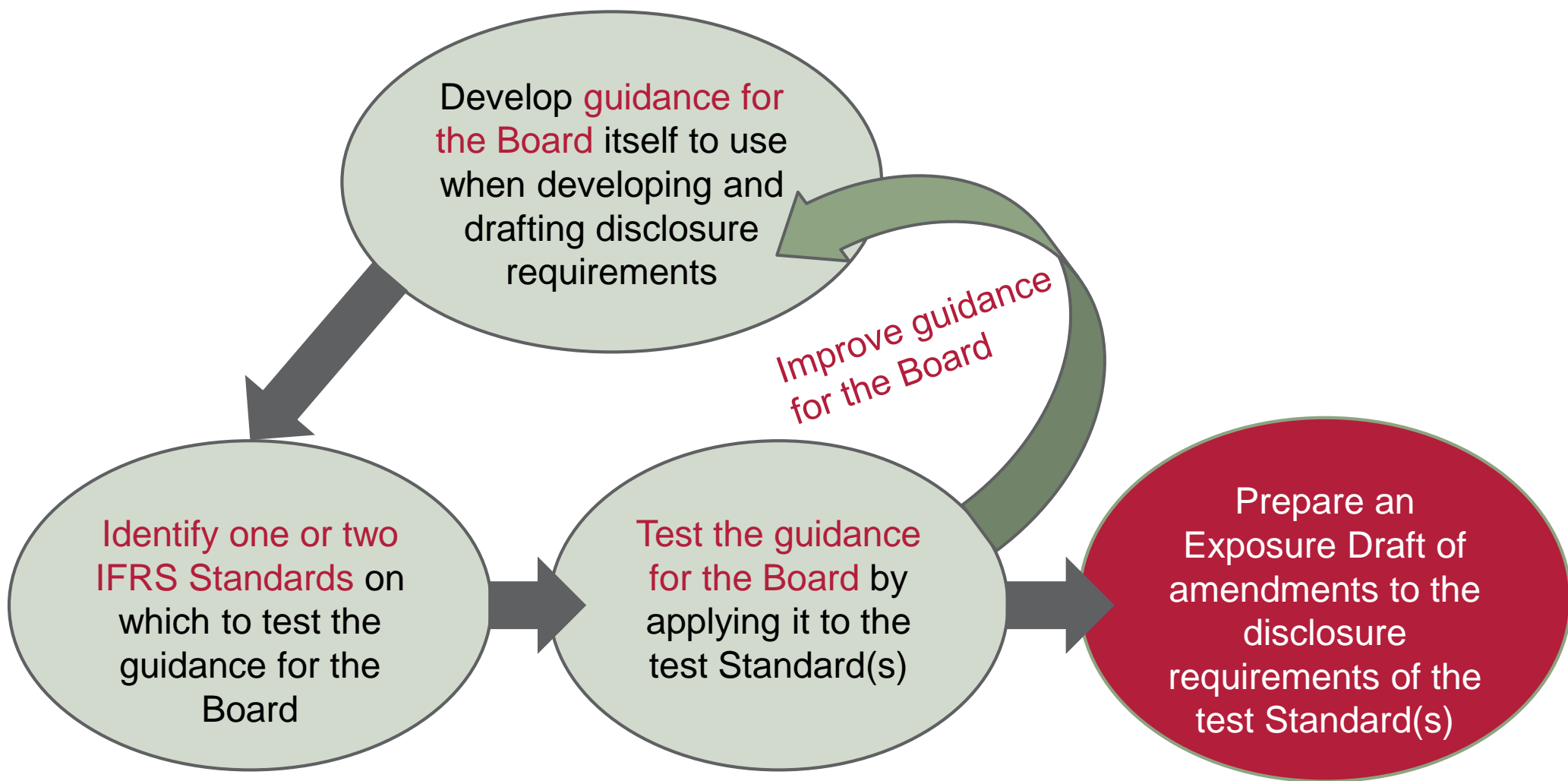
Guidance for the Board

- Will be developed as a set of Board decisions
- Formal stakeholder feedback will be obtained when subsequently used as part of standard-setting

Test the guidance for the Board

- The objective of the targeted standards-level review will be to **improve the disclosure requirements and hence, the usefulness of the disclosures** provided to the primary users of financial statements
- The objective will **not be to change the volume of disclosure requirements**, although this may be a consequence

Targeted Standards-level Review of Disclosures



Shortlisted Standards

Shortlisting process

- We have shortlisted 9 Standards for review.
- This was based on feedback received in the Principles of Disclosure project, specifically through:

Comment letter
feedback on the March
2017 Discussion Paper

User outreach
programmes

Feedback from
consultative groups

- The Board is not considering any **recently issued Standards** or **Standards for which a Post-Implementation Review will be taking place** in the foreseeable future.

Issues identified with the shortlist

- Stakeholders have provided feedback that each of the shortlisted Standards have some or all of the following problems:

1 Lack of, or insufficient disclosure objectives

2 Disclosure requirements that are:

Duplicative

Lengthy

Incomplete

Not useful

Costly to produce

Difficult to understand

Overly prescriptive

3 Disclosure requirements that often result in insufficient or boilerplate information in the financial statements

Shortlisted Standards[†]

IAS Standards

IAS 7	<i>Statement of Cash Flows</i>
IAS 12	<i>Income Taxes</i>
IAS 16	<i>Property, Plant and Equipment</i>
IAS 19	<i>Employee Benefits</i>
IAS 21	<i>The Effects of Changes in Foreign Exchange Rates</i>

IFRS Standards

IFRS 2	<i>Share-based Payment</i>
IFRS 3	<i>Business Combinations</i>
IFRS 8	<i>Operating Segments</i>
IFRS 13	<i>Fair Value Measurement</i>

[†]Also distributed with this paper, for CMAC and GPF Members' information, are copies of the disclosure requirements from the listed Standards



Update on pre-meeting survey



Break-out sessions:

Which Standard(s) should the Board select for a targeted Standards-level review of disclosures?

Break-out sessions

- Four break-out sessions with a **mix of investors and preparers**
- We would like each break-out group to:
 - conclude which **three Standards** they would recommend the Board select for Standards-level Review;
 - list them in **order of preference**;
 - explain the **reasons** for those choices.
- Each session will be chaired by an IASB Board Member, who will then summarise the feedback we heard



Feedback from break-out discussions

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