STAFF PAPER

IASB® meeting

Project	**Disclosure Initiative—Targeted Standards-level Review of Disclosures**
Paper topic	Guidance for the Board

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This paper will be discussed at the Board meeting in September 2018.

Objective

1. The objectives of this paper are to:

   (a) provide the Board with an overview of the draft Guidance for the Board to use when developing and drafting disclosure objectives and requirements ('draft Guidance'). The paper summarises tentative Board decisions made during the May, June and July 2018 Board meetings and also includes refinements to the draft Guidance in response to suggestions made by Board members during those meetings; and

   (b) confirm that the Board is happy with that draft Guidance before moving on to test it. Over the coming months, staff and Board members will test the draft Guidance described in this paper by applying it to IAS 19 *Employee Benefits* and IFRS 13 *Fair Value Measurement*.

Overview

2. This paper is structured as follows:

   (a) Background (paragraphs 3-4);

(b) Step 1—how the Board will use disclosure objectives (paragraphs 5-12);

(c) Step 2—how the Board will develop the content of disclosure objectives and requirements (paragraphs 13-40);

(d) Step 3—how the Board will draft disclosure objectives and requirements (paragraphs 41-58);

(e) Question for the Board;

(f) Appendix A—Types of disclosure objectives;

(g) Appendix B—Methodology for developing disclosure objectives and requirements.

Background

3. In the May, June and July 2018 Board meetings, the Board developed a draft framework to use when developing and drafting disclosure objectives and requirements in future. This framework is intended to:

   (a) help the Board develop more specific and effective disclosure objectives thereby encouraging preparers to exercise judgement when deciding what to disclose;

   (b) improve the process by which the Board develops the content of disclosure objectives and requirements, including by:

      (i) introducing consideration of disclosure proposals earlier in the standard-setting process;

      (ii) placing significant focus on the needs of users of financial statements and other stakeholders;

      (iii) effectively leveraging internal resources, such as the knowledge and expertise of the IFRS Taxonomy team; and

   (c) encourage the Board to communicate more effectively with stakeholders by improving the process the Board uses when drafting disclosure objectives and requirements.

4. The draft framework can be summarised in three steps:

(a) Step 1—how the Board will use disclosure objectives (see ***May 2018 Agenda Paper 11B***);

(b) Step 2—how the Board will develop the content of disclosure objectives and requirements (see ***June 2018 Agenda Paper 11C***); and

(c) Step 3—how the Board will draft disclosure objectives and requirements (see ***July 2018 Agenda Paper 11C***).

Step 1—how the Board will use disclosure objectives

5. In its May 2018 meeting, the Board tentatively decided to:

   (a) explicitly state the objective(s) of each disclosure requirement and clearly link each requirement with the related objective(s) (paragraphs 7-10); and

   (b) use high-level, catch-all disclosure objectives within individual Standards to prompt entities preparing financial statements to consider as a whole the disclosure relating to a topic and whether the information provided meets users' information needs for that topic (paragraphs 11-12).

6. Step 1 refers to three types of disclosure objectives (see Appendix A):

   (a) specific disclosure objectives—prompt entities to apply judgement as to whether each piece of information is material to their financial statements and whether the information provided meets specific user information needs;

   (b) high-level, catch-all disclosure objectives in individual Standards—prompt entities to consider disclosures relating to a topic in their financial statements and whether the information provided meets overall user information needs for that topic; and

   (c) overarching objectives in the *Conceptual Framework for Financial Reporting* and IAS 1 *Presentation of Financial Statements*—prompt entities to consider as a whole all the disclosures in their financial statements and decide whether they meet user information needs and the overall objective of general purpose financial reporting and general purpose financial statements. These objectives already exist in the *Conceptual Framework* and IAS 1 and are unaffected by the proposed framework.

Specific disclosure objectives

7. Specific disclosure objectives will modify how the Board currently structures the disclosure requirements within IFRS Standards. This approach makes better use of specific objectives (as described in paragraph 8) to explain *why* particular disclosure information is useful to a primary user of financial statements. By providing such clarity, the Board will help preparers better exercise judgement to determine whether information provided in response to a requirement is material.

8. The approach combines specific disclosure objectives (as described in paragraph 7) with examples of specific information an entity should consider disclosing to meet those objectives, for example:

> 'an entity shall disclose information that enables primary users of financial statements to [understand/assess/review/compare] *y*. To meet this objective, an entity [shall consider disclosing/would normally disclose] *x*'.

9. In developing specific disclosure objectives, it is important for the Board to balance entity-specific information with comparability—factors that primary users of financial statements describe as critical:

   (a) entity-specific information—focusing on meeting objectives encourages entities to apply judgement to determine what information is material; and

   (b) comparability—identifying specific items of information to meet those objectives will help to achieve comparability between any entities for which similar information is material.

10. Consequently, it is critical that disclosure objectives are specific enough to achieve this balance between entity-specific information and comparability. To take an extreme example: if a user information need can only be effectively met by a specific set of information—such as a reconciliation—the disclosure

objective should make that clear. This might be done, for example, by an objective that requires information that would enable users to *reconcile* a specified item.

High-level, catch-all disclosure objectives

11. High-level disclosure objectives within individual IFRS Standards provide a narrower, more Standard-specific focus than do the overarching objectives of general purpose financial reporting and financial statements in the *Conceptual Framework* and IAS 1 (see Appendix A). This is because the high-level disclosure objectives in individual IFRS Standards narrow the objectives to the context of a particular Standard, rather than the context of the financial statements as a whole.

12. Consequently, the purpose of high-level objectives within IFRS Standards is to:

    (a) act as a 'catch-all'—high-level objectives in individual Standards prompt preparers to consider whether the overall information provided by complying with the specific disclosure objectives and requirements of a Standard meets overall user information needs. For example, high-level objectives might lead an entity to provide additional, entity specific information that is not directly captured by a particular disclosure requirement; and

    (b) provide a clear link to the overarching objectives of general purpose financial reporting and financial statements—highlighting the relationship between disclosure objectives within IFRS Standards and the overarching objectives of general purpose financial reporting and financial statements within the *Conceptual Framework* and IAS 1.

Step 2—how the Board will develop the content of disclosure objectives and requirements

13. In its June 2018 meeting, the Board tentatively decided that, when developing disclosure objectives and requirements:

(a) a member of the IFRS Taxonomy team be assigned to each of the Board's active projects in an advisory capacity (see paragraphs 14-16); and

(b) the Board use a focused methodology to develop the content of disclosure objectives and requirements (paragraphs 17-40).

IFRS Taxonomy

14. The IFRS Taxonomy improves communication between preparers and primary users of general purpose financial reports. In doing so, the IFRS Taxonomy reflects the presentation and disclosure requirements of IFRS Standards and includes elements from the accompanying materials to the IFRS Standards such as implementation guidance and illustrative examples. Further, the IFRS Taxonomy contains elements for disclosures not specifically required by IFRS Standards but commonly reported in practice.

15. Consequently, in June 2018 the Board tentatively decided that a representative of the IFRS Taxonomy team should be assigned to each of the Board's active projects. However, the level of involvement of the IFRS Taxonomy team advisor (advisor) will vary depending on the project. For example, the advisor would be able to provide more support in the development of disclosure objectives and requirements for a new Standard than in the development of a narrow-scope amendment that will have a limited effect on the disclosure objectives and requirements in an existing Standard.

16. The objectives of working with the advisor should be to help the project team fully understand stakeholder feedback and:

    (a) current disclosure objectives and requirements including any issues with current disclosure objectives and requirements. For example:

        (i) any common application challenges or inconsistencies; and

        (ii) any duplication or contradiction between requirements in IFRS Standards;

    (b) any potential issues with the disclosure proposal(s);

(c) whether the disclosure proposal(s) can be incorporated into the IFRS Taxonomy. For example, the advisor might help teams understand whether taxonomy elements could be easily created using the proposals' wording;

(d) the interaction of the disclosure proposal(s) with common reporting practice, IFRS Standards and accompanying materials such as implementation guidance and illustrative examples. For example, understanding whether common reporting practice indicates there is some useful information that is not addressed in the disclosure proposal(s); and

(e) whether disclosure proposal(s) are 'technology neutral'—ie whether the proposal(s) can be applied effectively in both an electronic reporting format and a paper-based format.

A focused methodology to develop disclosure objectives and requirements

17. The methodology can be summarised as follows (Appendix B):

(a) understand the existing issue(s) (paragraphs 21-24);

(b) understand what information stakeholders want and why (paragraphs 25-31);

(c) understand what disclosures would be required to support proposed recognition and measurement requirements (paragraphs 32-34);

(d) perform a cost-benefit analysis (paragraphs 35-37); and

(e) understand and document the effects of the proposed disclosure objectives and requirements (paragraphs 38-40).

18. The methodology is for consideration by project teams. Each project team is responsible for assessing the relevance of the activities suggested in the methodology and assessing how many activities, such as stakeholder outreach, are required. For example, more stakeholder outreach may be required when the Board develops a new Standard than when it develops a narrow-scope amendment.

19. Consequently, this methodology is not intended to be fixed, rather it is intended to be:

    (a) iterative—it will be used as a foundation to be built upon using feedback from stakeholders as well as the experience of project teams; and

    (b) flexible—the sequence and volume of suggested activities can be adjusted to meet the needs of a particular project.

20. The requirements in the *Due Process Handbook* relate to general standard-setting and do not provide disclosure-specific guidance for the Board. Elements of the due process requirements have been included within the methodology to:

    (a) provide an overview of the methodology; and

    (b) demonstrate the relationship between the methodology and due process requirements.

Understand the existing issue(s)

21. Initially the Board should take steps to understand the issues with information that users of financial statements receive—including, within the context of the project, any issues with disclosure objectives and/or requirements.

22. While not all projects will be focused on disclosure objectives and requirements, changes to recognition or measurement requirements may result in changes being required for disclosure objectives and requirements. It is important for the Board to understand whether the underlying issues result from recognition and measurement requirements, or from disclosure objectives and requirements.

23. The project team would typically assess existing disclosure objectives and requirements as part of the research phase of a project—particularly during the development of a request for information, research paper or discussion paper.

24. To help the Board better understand the issue(s), project teams may consider the following activities as part of the research phase:

    (a) identify the issue—consider how the project came to the Board's attention and the reasons it has been elevated to the Board agenda;

(b) identify the scope of the issue—review literature and do other research to obtain a greater understanding of how wide-spread the issue is; and

(c) obtain stakeholder feedback on the issue—where relevant, consider including a specific question addressing any issue with disclosure objectives and requirements in, for example, a request for information.

Understand what information stakeholders want and why

25. The Board should take steps to identify, understand and clearly articulate the needs of stakeholders. This would typically occur as part of developing or analysing a discussion paper or exposure draft. At this stage, the Board should focus on obtaining enough feedback to develop proposal(s) which effectively address the issue(s) identified and are responsive to stakeholder needs. This will include gathering initial feedback on user information needs and the potential costs and benefits of disclosing such information.

26. Suggested activities during this phase of a project are summarised below focusing on users of financial statements and other stakeholders.

Users of financial statements

27. The Board will need to obtain a deep understanding of the information needs of primary users at this stage. Specifically, engagement with primary users should be sought to better understand:

(a) what information they want disclosed;

(b) why they are interested in that information;

(c) what analysis they will perform using the information;

(d) how precise and detailed information needs to be to adequately meet their needs; and

(e) the relative prioritisation of the requested information. For example, the Board should ask primary users to distinguish between information critical to their analysis and information that is 'nice to have'.

28. To aid in developing a deep understanding of the information needs of primary users, the Board should consider tailoring an outreach programme specific to primary users of the financial statements. The proposed outreach programme

should focus on specific questions designed to gather information required to meet the objectives listed in paragraph 27 by:

(a) conducting formal outreach meetings, for example with the Board's Capital Markets Advisory Committee or other investor groups;

(b) collaborating with National Standard-setters, for example to arrange user-group discussions in different geographies;

(c) consulting with investors in the Board's Investors in Financial Reporting programme;

(d) consulting with a balance of buy-side and sell-side investment professionals;

(e) consulting with a geographically diverse mix of investment professionals;

(f) consulting with a balance/mix of equity and credit-oriented investment professionals; and

(g) collecting feedback from comment letters from primary users. Feedback will be particularly relevant when the Board has asked a specific question about user information needs in a request for information or discussion paper. In those documents, the Board should consider asking specific questions designed to gather the information described in paragraph 27.

29. The Board should summarise the feedback from primary users to facilitate the development of specific and effective disclosure objectives. The Board will need to make sure that it understands all requests for disclosure in enough detail to develop and clearly articulate specific disclosure objectives as described in paragraph 8.

Other stakeholders

30. In addition to understanding the information needs of users of financial statements, the Board will also need to consult with other stakeholders to understand their priorities and concerns about disclosure requirements in the project. This may include, but is not limited to:

(a) fully understanding, from preparers of financial statements, the cost consequences of existing and proposed disclosure requirements. Tasks might include:

   (i) identifying requirements that preparers consider to be unduly onerous and understanding why that is the case;

   (ii) deciding whether alternative disclosures might meet the same information need but be less costly to prepare; and

   (iii) performance of field testing with preparers of financial statements;

(b) whether preparers of financial statements typically disclose additional information useful to their stakeholders but not required by IFRS Standards, and why. For example, information useful to management that would also be useful to primary users;

(c) any audit consequences of existing or potential new disclosure requirements. For example, whether compliance with any proposed disclosure objectives and requirements would be particularly difficult to audit;

(d) any regulatory consequences of existing or proposed disclosure requirements. For example, identifying proposed disclosure objectives and requirements that are challenging to enforce; and

(e) the relationship between existing or proposed disclosure requirements and jurisdictional requirements. Such requirements might include:

   (i) any jurisdictional requirements considered particularly useful that are not required by IFRS Standards; and

   (ii) any unhelpful overlap or duplication between disclosure requirements in IFRS Standards and jurisdictional requirements.

31. Activities that may help the Board understand the priorities and concerns of stakeholders other than users include:

(a) outreach meetings with preparers, regulators, auditors, National Standard-setters, accounting firms, accountancy bodies, and others. Outreach could involve individual meetings or public round tables;

(b) consulting with the Board's advisory bodies and consultative groups, including the Global Preparers Forum, Accounting Standards Advisory Forum and the Advisory Council; and

(c) feedback from comment letters. Feedback will be particularly relevant when the Board has asked a specific question about disclosure requirements in a request for information or discussion paper. In such documents, the Board should consider asking specific questions designed to gather the information described in paragraph 30.

Understand what disclosures would be required to support proposed recognition and measurement requirements

32. In addition to considering stakeholder needs, the Board will also need to consider the effect of any related decisions it makes about recognition and measurement. For example, when developing recognition and measurement requirements, the Board might have in mind disclosures needed to support those requirements. The Board should focus on ensuring that:

(a) disclosure requirements that provide information to primary users that cannot be obtained by any other means are identified (eg where there is no specific recognition or measurement criteria within the Standard to satisfy a particular information need);

(b) disclosures required to support the proposed recognition and measurement requirements are identified at an early stage; and

(c) the Board can develop disclosure proposals even where stakeholders have not identified a specific information need. This might be the case, for example, where the Board identifies additional information needs when it is considering requirements for recognition and measurement.

33. As part of the considerations listed in paragraph 32, the Board should discuss relevant disclosure objectives and requirements throughout the life of the project—it is important that the Board also considers and discusses what disclosures are necessary *as it develops* proposed recognition and measurement requirements. It is likely that the Board would discuss a summary of disclosure objectives and requirements in finalising, for example, an exposure draft.

34. In many cases, we expect that feedback from stakeholders (see paragraphs 25-31) will facilitate Board discussions about the disclosures necessary for supporting recognition and measurement requirements. However, the Board should consider further discussions with the Board's advisory bodies and consultative groups if any clarification or additional feedback is required.

Perform a cost-benefit analysis

35. While analysing and developing project proposals, it is important for the Board to understand the likely costs of proposed disclosure requirements for preparers versus the expected benefit that users will gain from the information.

36. This step will be formalised and documented as part of the effects analysis developed for publication (see paragraphs 38-40). However, the costs and benefits of project proposals should be considered as early as possible and revised throughout the life of the project. For example, the Board should consider including a specific question in a discussion paper or exposure draft requesting views on disclosure proposals and their potential cost and benefit. The Board may also decide to design a dedicated outreach programme to gather additional feedback on the proposed disclosure objectives and requirements.

37. The Board should also analyse and consider the cost-benefit information collected throughout the performance of the methodology to prioritise disclosure objectives and requirements—ie cost-benefit considerations should be an important factor in determining which disclosure information is essential and therefore must be included in final disclosure objectives and requirements.

Understand and document the effects of the proposed disclosure objectives and requirements

38. This part of the methodology focuses on documenting the Board's understanding of the effects of proposed disclosure objectives and requirements. While the effects (including costs and benefits – see paragraph 35) would have been considered while developing disclosure proposals, the Board should draw on all acquired knowledge towards the end of a project to produce an effects analysis which is included in the final documents for publication.

39. The purpose of this step is to communicate to stakeholders:

(a) the benefits of the disclosure objectives and requirements—most likely the information benefits to primary users of financial statements;

(b) the practical effect and costs of the disclosure objectives and requirements for preparers of financial statements; and

(c) any other effects, such as any expected regulatory or electronic reporting consequences of the disclosure objectives and requirements.

40. We expect that work performed in the early stages of the project lifecycle should provide most information necessary for an effects analysis, and that this stage may be largely focused on documentation. However, this stage might identify areas where the Board may want to consider performing additional research or outreach activities.

Step 3—how the Board will draft disclosure objectives and requirements

41. The primary objective of the third step is to ensure that disclosure objectives and requirements are drafted in a way that most effectively communicates their intent—ie that disclosure objectives and requirements are communicated in a way that allows entities to effectively exercise judgement about which disclosure objectives and requirements are material in their case and should be disclosed.

42. In its July 2018 meeting (see ***July 2018 Agenda Paper 11C***), the Board tentatively decided that effective communication can be addressed through three areas:

(a) the use of language (see paragraphs 43-47);

(b) formatting and presentation of disclosure objectives and requirements within IFRS Standards (paragraphs 48-55); and

(c) leveraging requirements and guidance across IFRS Standards and other IFRS publications (paragraphs 56-58).

Use of language when drafting disclosure objectives and requirements

43. When drafting disclosure objectives and requirements the Board should consider the use of language. The final step in the methodology focuses on adjusting the

Board's use of language to encourage behavioural change internally and externally through:

(a) the use of prescriptive language; and

(b) the use of consistent language across Standards.

Prescriptive language

44. The Board needs to consider the balance between language that is prescriptive enough to encourage comparability, but not so prescriptive that it discourages the use of judgement. This balance can be achieved through:

(a) using prescriptive language to require entities to comply with disclosure objectives in the Standards (eg 'shall'); and

(b) using less prescriptive language when referring to specific items of information for disclosure (eg 'shall consider' or 'will normally disclose').

45. It is important to note that this approach to the use of prescriptive language aims to shift the focus from meeting a 'checklist' of disclosure requirements to instead considering if, in the entity's judgement, the disclosure objective has been met for a material transaction, other event or condition.

46. At times the Board may identify information which, if material to the entity, is always needed by users of financial statements. In these cases, the Board should, in the first instance, aim to articulate the related disclosure objective in a way that is specific enough to make clear exactly what information is needed to satisfy the objective (see also paragraph 10). In some cases, the Board may consider it useful to use more prescriptive language than described in paragraph 44(b). In such cases, the Board should clearly explain why it has decided to use more prescriptive language within the Basis for Conclusions.

Consistent language

47. Inconsistencies in language can lead to confusion about requirements and to inconsistent application of terms and concepts. To help minimise inconsistencies in language the Board should:

(a) consider defining terms and concepts introduced for the first time in a disclosure section of an IFRS Standard;

(b) consider how a term or concept is defined when translated to languages other than English. Project teams should consider consulting with the Translations, Adoption and Copyright team about proposed terms and concepts;

(c) avoid using the same term or concept in different ways across the Standards. Where use of the same term is unavoidable, consider drafting additional guidance, such as an explanatory paragraph, to explain the use of the term or concept in the context in which it is being used and clearly link each use of the term or concept to the related explanation;

(d) state the intended location when using the terms ‘present’ and ‘disclose’ in the disclosure requirements in IFRS Standards; and

(e) seek advice from the IFRS Taxonomy team at the drafting stage to identify any inconsistencies between the way terms and concepts are described in the disclosure proposals and other places in the Standards.

Formatting and presentation of disclosure objectives and requirements in IFRS Standards

48. The Board can use formatting and presentation to highlight why a specific disclosure requirement will be useful to primary users. This will encourage preparers to exercise judgement in deciding what information to disclose.

49. In particular, the Board can use formatting and presentation in the following ways:

(a) placement and presentation of high-level, catch-all disclosure objectives (paragraphs 50-51);

(b) use of bold type text formatting within the disclosure section of an IFRS Standard (paragraphs 52-53); and

(c) presentation of disclosure objectives and requirements (paragraphs 54-55).

Placement and presentation of high-level, catch-all disclosure objectives

50. High-level, catch-all objectives will be used to remind preparers to consider their disclosures with reference to the overarching objectives of general purpose financial reporting and financial statements within the *Conceptual Framework* and IAS 1 (see paragraph 12).

51. Consequently, high-level, catch-all objectives should be presented at the end of the relevant disclosure section in an IFRS Standard. This approach is intended to help preparers understand and implement the intent of these objectives—ie that they are intended to prompt consideration of whether overall disclosures are sufficient *after* complying with all of the specific disclosure objectives in a Standard (see Appendix A).

Use of bold type text formatting within the disclosure section of an IFRS Standard

52. The preface to the IFRS Standards bound volumes states the following about bold text in the Standards: '*Standards approved by the IASB include paragraphs in bold type and plain type, which have equal authority. Paragraphs in bold type indicate the main principles*'.

53. Specific disclosure objectives in a Standard should be presented in bold type. Under the framework described in this paper, these objectives will represent the main disclosure principles of an IFRS Standard. This approach is intended to help preparers shift focus away from a 'checklist' approach and towards making judgements about what information is needed to satisfy disclosure objectives.

Presentation of disclosure objectives and requirements

54. Effective disclosure sections should link specific items of information to specific disclosure objectives.

55. To achieve this, the Board should organise disclosure sections in the Standards based on similar information needs that disclosure objectives and requirements are intended to satisfy. In many cases, this approach may result in disclosure sections that are organised based on groups of similar or related specific disclosure objectives. In other cases, it might lead to multiple short lists of information that an entity should consider disclosing to comply with a disclosure objective.

Leveraging requirements and guidance across IFRS Standards and other IFRS publications

56. Leveraging IFRS Standards and other IFRS publications will support the Board in:

    (a) minimising duplication in IFRS Standards and other IFRS publications;

    (b) promoting consistent drafting of disclosure objectives and requirements (see paragraph 47); and

    (c) ensuring the relationship between individual disclosure objectives and requirements in the Standards and the concept of materiality is consistent and clear.

57. To minimise future inconsistencies and confusing relationships between disclosure requirements in IFRS Standards, the Board should aim to minimise duplication. Instead, where similar disclosure requirements exist in different Standards, those requirements should, *to the extent possible*, be linked instead of duplicated. However, the Board should consider taking this approach only when it does not adversely affect the clarity of relationships between specific disclosure objectives and requirements.

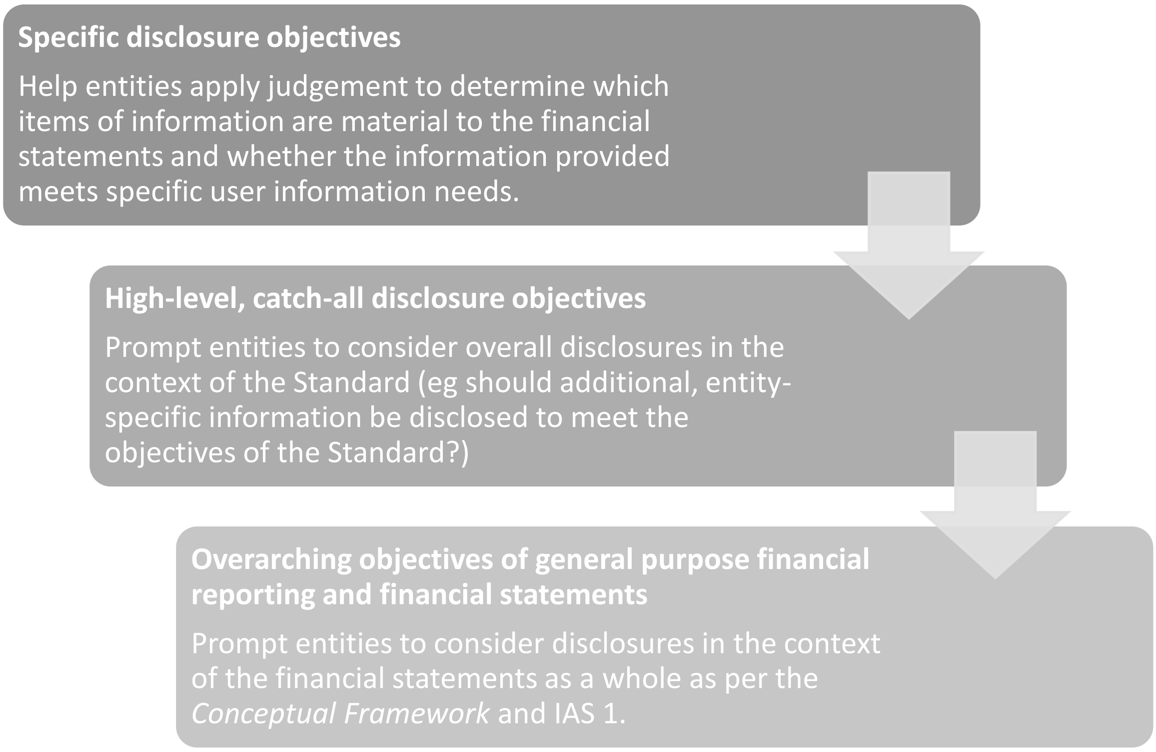
58. In addition, the Board should, *to the extent possible*, avoid making generic or overarching references to materiality in the disclosure sections of individual IFRS Standards. This is intended to help make clear that materiality is an overarching concept that applies across all disclosure requirements in the Standards. Multiple or duplicate references to materiality can introduce confusion about how the concept applies to a Standard in which it is *not* mentioned.

Question for the Board

Question 1
Is the Board happy with the draft Guidance for the Board to use in developing and drafting disclosure objectives and requirements? If not, what changes would the Board like to make?

Appendix A—Types of disclosure objectives

A1. The flowchart below summarises the different types of disclosure objectives referred to in this paper, and the order of likely practical application when preparing or reviewing financial statements.



Appendix B—Methodology for developing disclosure objectives and requirements

B1. The flowchart below is a high-level representation of the methodology only and is not intended to be fixed or linear. Instead, the methodology is intended to be iterative and flexible. The sequence and volume of suggested activities can be adjusted to meet the needs of a particular project.

Understand the existing issue

Obtain an understanding of the existing issues with information that users of financial statements receive	• identify the issue • identify the scope of the issue • obtain stakeholder feedback on the issue

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Understand what stakeholders want and why

Obtain an understanding of <u>what</u> stakeholders want disclosed and <u>why</u> - this should include discussion about what disclosure they believe is essential and what disclosure is 'nice to have'	• tailor an outreach programme specific to primary users (and, if relevant, preparers) • liaise with IFRS consultative and advisory committees • review comment letter feedback • consider the costs and benefits of disclosure information requests • explicitly link each requested disclosure requirement with a disclosure objective

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Understand what disclosures would be required to support proposed recognition and measurement requirements

Obtain an understanding of what disclosures are required to support the proposed recognition and measurement requirements	• Board consideration of disclosure at all project stages • Board consideration of whether any additional disclosure information is needed to support its recognition and measurement proposals • liaise further with IFRS consultative and advisory committees

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Perform a cost / benefit analysis

Obtain an understanding of the effect of the disclosure proposal(s)	• include a specific question in the Discussion Paper or Exposure Draft requesting views on the costs and benefits of the project proposal(s) • use stakeholder outreach programmes to gather additional feedback on the costs and benefits of disclosure proposal(s)

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Understand and document the effects of the proposed disclosure objectives and requirements

Document the Board's understanding of the effects of disclosure proposal(s)	• perform additional research and outreach activities if • develop an Effects Analysis to be included in the final documents for publication