IFRS

STAFF PAPER

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Capital Markets and Advisory Committee (CMAC) meeting

Project	**Targeted Standards-level Review of Disclosures**	
Paper topic	User outreach summary	
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Purpose of this paper

1. The purpose of this paper is to summarise feedback received from users of financial statements (users) on the Targeted Standards-level Review of Disclosures project. In particular, the paper summarises feedback from users on their:
    (a) primary objectives when analysing information relating to IAS 19 *Employee Benefits* and IFRS 13 *Fair Value Measurement*;
    (b) suggested items of information that could be used to meet those objectives.
2. We are seeking CMAC members' views on the feedback from users summarised in this paper. Questions for CMAC are included in Agenda Paper 4.
3. This paper is structured as follows:
    (a) User outreach;
    (b) Feedback received on IAS 19 *Employee Benefits*;
    (c) Feedback received on IFRS 13 *Fair Value Measurement*.

User outreach

Background

4. At its September 2018 meeting, the Board confirmed that it was happy to test the draft Guidance for the Board to use when developing and drafting disclosure objectives and requirements ('draft Guidance') in future. (see Agenda Paper 11A from that meeting)

5. A key part of the draft Guidance is the development of detailed and specific disclosure objectives that are based on the information needs of users of financial statements. To enable the Board to develop such objectives, the draft Guidance includes gathering detailed feedback on user information needs.

6. Specifically, the draft Guidance states users should be consulted to better understand: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, distinguishing between the information critical to their analysis and information that is 'nice to have'.

7. The Board decided to test the draft Guidance by applying it to IAS 19 *Employee Benefits* and IFRS 13 *Fair Value Measurement* (see Agenda Paper 11D from the July 2018 Board Meeting).

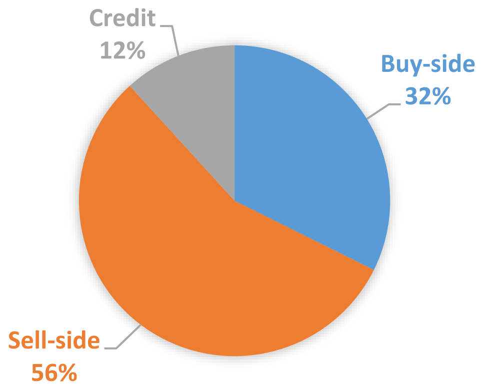
Summary of user outreach conducted on IAS 19 and IFRS 13

8. From November 2018 to March 2019, Board Members and staff met with 35 users.[1] The outreach programme focused on specific questions designed to gather the information listed in paragraph 6 on IAS 19 and IFRS 13.

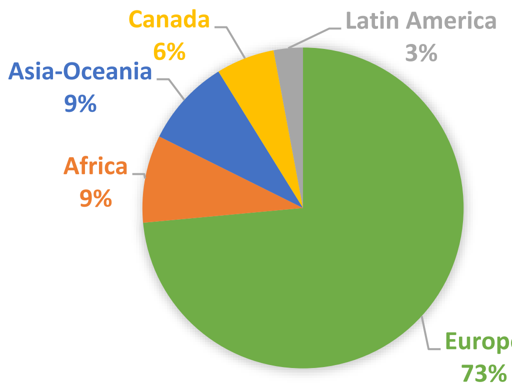
[1] When this paper was posted, three meetings with four users were still to take place.

9. Board members and staff held 21 meetings in total. These were a combination of in-person meetings, telephone calls and video conferences. The majority of outreach meetings were conducted either with one or two users. This approach enabled us to explore the users' objectives and information needs in detail.

10. We met with users from both the buy-side and sell-side, along with credit rating agency analysts. The graph below summarises the type of users we met with:



11. The graph below provides a geographical representation of all users that we spoke to based on the location of companies that they monitor.



12. Finally, the users that we spoke to included industry specialists covering banking, healthcare, insurance, pharma, retail and utilities.

Feedback received on IAS 19 *Employee Benefits*

Key messages

Overview

13. The overarching message from most of the users that we spoke to is that today's pension disclosures based on IAS 19 are often not effective in meeting their objectives. Most users would like to see different information about employee benefits. For example, many users said that better information about the expected cash flow effects of a pension plan would be more useful than the information they typically receive today.

14. A few users said the extent to which they use pension disclosures depends on the financial environment. For example, in low interest-rate environments, users prioritise information that enables them to understand the sensitivities of the pension obligation to different assumptions and the impact on future cash flows. In their view, low interest-rates increase the need for entities to provide more transparency. A few users also said that they do not review pension disclosures in detail when the financial environment is favourable.

15. Almost all users said they focus primarily on defined benefit pension plans. They consider other types of employee benefits, including defined contribution plans, as 'harmless' and do not need any information beyond the amount recognised in the income statement and contributions made into those plans. Consequently, the subsequent details representing users' objectives for pension disclosures (Table 1) *only* relate to defined benefit plans.

Buy side vs sell side vs credit analysts

16. The underlying objectives described in table 1 were consistent across the buy-side, sell-side and credit analysts that we spoke to. The primary difference in perspective across the three groups relates to the amount of time they are able to spend on individual company disclosures and, consequently, the level of detail they would like to see.

17. For example, buy-side investors generally analyse a higher volume of companies than do their counterparts at sell-side research firms or credit rating agencies and, consequently, are often able to spend less time examining detailed disclosures. Therefore, whilst the underlying objectives are similar across the three groups, the amount and content of specific information they'd like to see in meeting those objectives varies across buy-side,

sell-side and credit analysts. Buy-side investors are more likely to prefer concise and consistent information across all companies that they can understand quickly. Other types of investor are more likely to delve into entity specific details.

Jurisdiction specific messages

18. A few users in jurisdictions such as Australia and South Africa noted defined benefit plans are either small or declining in their jurisdictions. Consequently, detailed disclosures about defined benefit plans are often not relevant to their analysis of entities from those jurisdictions.

19. In addition, a few users observed that the ease with which an entity may be able to provide particular items of pension information might depend on whether similar information is required by regulators in the relevant jurisdiction. For example, a number of users referred to a company's schedule of contributions into the plan scheme as agreed with trustees. In some jurisdictions, such as the UK, entities are already required to maintain such a schedule. Consequently, entities in those jurisdictions would find it easier to provide similar information in their financial statements than entities in other jurisdictions.

Detailed user objectives and information needs

20. The tables below provide a high-level summary of the detailed feedback received:

    (a) **Table 1**: Employee benefits: users' disclosure objectives.

    (b) **Table 2**: Employee benefits: users' suggested items of information that could be used to meet their objectives.

21. Please note that the information below is *not* a set of proposed disclosure objectives and requirements. Rather, it represents a summary of users' feedback on their primary objectives and ideal information set to meet those objectives. This information is intended to facilitate discussion and help staff and Board Members to gather feedback about the likely costs and benefits of potential disclosure objectives and requirements.

Table 1—Employee Benefits: Users' disclosure objectives

		Link to specific items of information (see Table 2)
A	Forecast future pension obligation	**1, 6, 7, 9**
B	Determine the value of the pension obligation to input into analyses for forecasting, such as enterprise value calculations. ✓ for a group of users, this is the amount presented on the entity's balance sheet. ✓ for another group of users, this is the amount that they consider represents 'debt-like' obligation. These users will, for example, exclude liabilities relating to health benefit plans. ✓ for a different group of users, this is the amount that it would cost an entity to eliminate the obligation from its balance sheet.	**1, 6**
C	Evaluate the impact of the pension obligation on the entity's cash flows. Specifically, users would like to: ✓ understand the nature of expected future cash flows, distinguishing between normal payroll contributions, internally budgeted deficit repairs[2] and deficit repairs agreed with the plan trustees. ✓ forecast the impact of the pension obligation on future cash flows for input into analyses such as the discounted cash flow (DCF). ✓ assess whether an entity's pension obligation could become significant enough to curtail its strategic flexibility or its ability to pay dividends.	**1, 7**
D	Assess the appropriateness of the assumptions and amounts underlying the entity's valuation of its pension obligation. Specifically, users would like to assess whether they: ✓ can 'trust' the valuation arrived at by the entity. ✓ need to make any adjustments in their analysis.	**3, 4, 5, 6, 9**

[2] This refers to an entity's plan as to how it expects to fund a pension plan deficit. This may also be referred to as the 'recovery plan'.

		Link to specific items of information (see Table 2)
E	Understand the economics of the plan(s) held and specifically, the risks to which the plan(s) expose the entity. This also allows users to assess any potential future exposures.	**2, 3, 4, 8**
F	Understand the sensitivity of the pension obligation to different assumptions to determine appropriate adjustments for risks. Specifically, users would like to: ✓ understand the range of possible values within which an entity's pension obligation might fall. ✓ understand where within that range the amount recognised on the balance sheet falls. ✓ understand the effect of non-linear sensitivities and the interaction between sensitivities on multiple assumptions. ✓ compare sensitivities, of different plans and, across different entities.	**5**
G	Understand the risks, and expected future cash flows, associated with *closed* defined benefit plans. This includes understanding the time period over which any remaining obligation is expected to wind down.	**10**
H	Understand the effect of an entity's plan(s) on the primary financial statements. Specifically, users would like to understand: ✓ whether, and by how much, the plan(s) are in surplus or deficit. ✓ the actual cash flows for the plan(s) during the period. ✓ the impact of the plan(s) on the income statement during the period.	**1**

Table 2—Employee Benefits: User's suggested items of information that could be used to meet their objectives

		Buy-side	Sell-side	Credit	Link to objectives (see Table 1)	Covered by existing IAS 19 requirements?
Defined Benefit Plans						
1	**Explanation, and disaggregation, of amounts recognised in the financial statements** ✓ *Many users observed that it can be very difficult to understand how pension disclosures relate to the primary financial statements. As a result, they would like to see:* *- clear statements as to whether plan(s) are in surplus or deficit and by how much.* *- the actual cash flows related to the plan(s) during the period (typically the amount added back to operating cash flows via the indirect method does not provide this).* *- amounts recognised in the income statement.* *- information about the effect of acquisitions on the entity's pension plans, if any.* ✓ *A few users added that disaggregation of amounts by one or all of the following - geographical region, segments, member type, plan type (i.e. differentiating between those in surplus and those in deficit) - would be useful.*	✓	✓	✓	**A, B, C, H**	**Partly** Paragraph 141 addresses most of these as part of the reconciliation from opening to closing balance. Additionally, paragraphs 137-138 address disaggregation.
2	**Narrative information about the nature and characteristics of the plans** ✓ *Users identified the following examples of useful information, particularly for the plan(s) which the entity identifies as its most significant:* *- Status of the plans. For example, whether they are open or closed to new members and the mix of plan members.* *- Approach to funding the plan(s). For example, the approach for dealing with any shortfalls for unfunded plans.* *- Approach to investing the plan assets.* *- Any agreements or commitments between the entity and the plan trustees.* *- Any regulatory or jurisdiction specific factors that impact the plan(s).*	✓	✓	✓	**E**	**Partly** Paragraphs 139(a)-(b) and 147(a) address most of these but disclosure about the most significant plans and general approach to funding and investment are not required.

		Buy-side	Sell-side	Credit	Link to objectives (see Table 1)	Covered by existing IAS 19 requirements?
3	**Financial assumptions used in deriving the pension obligation** ✓ *A few users also said that entities should highlight the assumptions with the most significant effect on the pension obligation and explain why those assumptions were the most significant.* ✓ *A few users added that when there have been material changes to the assumptions used, information to understand how those changes affected the pension obligation would be helpful.*		✓	✓	**D, E**	**Partly** Paragraphs 144 and 145(b)-(c) address most of these but disclosure of *why* the assumptions used are significant for the entity is not required.
4	**Demographic assumptions used in deriving the pension obligation** ✓*Users identified the following examples of useful information:* - *disaggregation of relevant demographic assumptions by segments.* - *proportion of members by type (active members vs. pensioners).* ✓ *A few users also said that entities should highlight the assumptions with the most significant effect on the pension obligation, and explain why those assumptions were the most significant.* ✓ *A few users added that when there have been material changes to the assumptions used, information to understand how those changes impacted the pension obligation would be helpful.* ✓ *A few other users do not think separate disclosure about demographics is necessary because the underlying objectives can be adequately satisfied by information about future cash obligations disaggregated by age brackets.*		✓	✓	**D, E**	**Partly** Paragraphs 144 and 145(b)-(c) address most of these but disclosure of *why* the assumptions used are significant for the entity is not required.

		Buy-side	Sell-side	Credit	Link to objectives (see Table 1)	Covered by existing IAS 19 requirements?
5	**Sensitivity analysis of principal actuarial assumptions** ✓ *Almost all users said that they would like to see:* *- a wider range of possible assumptions in the analysis, particularly when the assumptions have a non-linear effect on the pension obligation.* *- an analysis that shows the effect, on the pension obligation, of changing multiple assumptions simultaneously.* ***See Appendix A*** *for an illustration of a method that would address both of these points.* ✓ *Some users prioritised comparability and said that disclosed deviations from the base case scenarios (i.e., +/- 100 basis points on discount rate) should be the same across all companies.* ✓ *Some users added that they are most interested in the discount rate, inflation rate and mortality/longevity assumptions.*		✓	✓	**D, F**	**Partly** Paragraph 145 addresses some of these but it does not specify *how* the sensitivity analysis should be provided.
6	**Explanation of differences between various pension plan valuations**[3] **(for example, IAS 19 valuation versus funding/triennial valuation versus buyout value)** ✓ *Some users added that a numerical reconciliation between the IAS 19 valuation and the funding/triennial valuation would be helpful.* ✓ *A few users said that they find the funding/triennial valuation more useful than the IAS 19 valuation because it has a clearer link to the possible impact on cash flows.* ✓ *Most users added that narrative information about the funding/triennial valuation, when applicable, should be disclosed.* ✓ *Some users said the buyout value would be useful only in certain situations, for example when the plan and its liability are significant relative to the size of the entity. Other users did not think disclosure about buyout value is necessary, and/or thought it would be difficult for entities to obtain a reliable value.*	✓	✓		**A, B, D**	**No**

[3] Pension obligations can be valued differently for different purposes. The funding valuation (referred to as the triennial valuation in jurisdictions such as the UK) represents the valuation attached to the expected contributions into the plan and expected benefit payments to plan participants, throughout the life of the plan. The IAS 19 valuation represents the valuation attached to the actuarially determined cost of the benefit that plan participants have earned in return for their service in current and prior periods. The buyout valuation represents the valuation attached to the market value for purchasing the total pension obligation.

		Buy-side	Sell-side	Credit	Link to objectives (see Table 1)	Covered by existing IAS 19 requirements?
7	**Information about the expected contributions into the plan(s), either as agreed with the trustees/appropriate regulatory bodies or internally budgeted** ✓ *Almost all users said that an entity's agreed schedule of payments, if any, should be the basis of the disclosure.* ✓ *Some users said that entities should differentiate between 'normal' contributions representing payroll deductions and 'extraordinary' contributions representing, for example, deficit repairs.* ✓ *Some other users questioned whether it would be realistic to require entities to disclose this information either for practical reasons (as contributions are often discretionary) or regulatory reasons (the information could interplay with local laws and regulations). Some added that alternative pieces of information could achieve the same objective, for example, narrative disclosures about show the scheme is managed, disclosure of any expected minimum contributions.*	✓	✓	✓	**A, C**	**Partly** Paragraph 141(f) only requires that an entity show the contributions into the plan as part of its reconciliation from opening to closing balance. Additionally, paragraph 147(b) only requires the expected contributions to the plan for the next annual reporting period.
8	**Fair value of the plan assets disaggregated by types of assets (for example, equities, derivatives, cash and cash equivalents)** ✓ *A few users added that the following additional information would also be useful:* - *narrative information about risks associated with plan assets.* - *narrative information about hedging activities.* - *actual rate of return on the specific types of assets.*	✓	✓	✓	**E**	**Partly** Paragraphs 141-143 address most of these but do not require disclosure of hedging activities and actual rate of return by asset type.

		Buy-side	Sell-side	Credit	Link to objectives (see Table 1)	Covered by existing IAS 19 requirements?
9	**Reconciliation between the opening and closing balances of the fair value of plan assets <u>and</u> the present value of the pension obligation** ✓ *Users who found this information useful generally did so because it helped their 'trust' in the reported numbers and highlights whether there are any significant elements to the plan that they'd like to investigate.* ✓ *A few users either added that the reconciliation is not useful because it is too detailed or said that they are primarily interested in the line items representing the 'contributions into the scheme' and the 'benefit payments'.*		✓	✓	**A, D**	**Yes**
10	**Information about the expected future benefit payments to members of closed plans** ✓ *A few users identified the following examples of useful information:* *- the time period over which payments will continue to be made to members in such plans and the associated expected payments.* *- maturity analysis for both plan assets and the pension obligation.* *- narrative information explaining the approach to managing the remaining obligations.* *- whether the obligations are expected to be met via existing plan assets or whether any deficit repair payments may be needed.*		✓	✓	**G**	**No** Paragraph 147(c) addresses information about the maturity profile of defined benefit obligation but does not explicitly address users' particular information needs about closed plans.

		Buy-side	Sell-side	Credit	Covered by existing IAS 19 requirements?
Defined Contribution Plans					
	Amount recognised in the income statement	✓	✓		**Yes**
	Contribution into the plan(s) during the period and a statement as to whether the same level of contribution will be made in the coming year		✓		**No**

Feedback received on IFRS 13 *Fair Value Measurement*

Key Messages

22. Most users that analyse detailed IFRS 13 disclosures were broadly happy with the information they receive today. An overarching message from many of the users that we spoke to was that most of their suggested improvements to fair value measurement disclosures would be 'nice to have' rather than 'critical'.

Approach to analysis and use of today's disclosures

23. We asked users to describe their approach to analysing fair value measurement today. Many said they start by looking down a company's table of assets and liabilities measured at fair value to identify if there's anything they'd like to explore in detail. If not, they do not look at the disclosures further.

24. Consequently, many users (including a few banks-sector analysts) do not use detailed disclosures about fair value measurement in their analysis. This is because:

    (a) those disclosures are rarely material to the companies that some users monitor (this feedback came from users other than banks-sector analysts); or

    (b) detailed fair value disclosures are only provided for Level 3 assets. However, some companies (including many banks) have the most significant amounts of assets categorised as Level 2 assets (see also paragraph 26 below).

25. Many of the users that do use detailed IFRS 13 disclosures today think they provide useful information. This is because these disclosures support the overarching objectives described in Table 3.

Application of materiality

26. A key message from users was about the importance of proper application of materiality to IFRS 13 disclosure. Many users said that they often get a lot of information about immaterial fair value measurements, and little information about material items. Some of these users thought these concerns could be most effectively addressed through better application of materiality. Others thought that standard setting could help (for example, by requiring companies to provide similar disclosures for Level 2 fair value measurements to those required for Level 3 fair value measurements).

27. As described in paragraphs 23-25, a number of users said they do not use some or all of the detailed fair value information provided today. We asked those users if the existence of that information is a problem – i.e. would the users be happy to lose any of the IFRS 13 disclosures that they currently receive?

28. In response to this question, many users said that the loss of some or all of the detailed IFRS 13 information would be unlikely to affect their analysis. However, most added that they would still prefer to have the detailed information available. For example, those users take comfort from knowing that if a particular type of instrument becomes material to their analysis in the future, there is information available. In summary, these users would not support elimination of IFRS 13 disclosure requirements, but they would support better application of judgement in eliminating information that is not material from the financial statements.

29. When considering feedback on the application of materiality, staff think it is important to keep in mind the existing requirement in paragraph 92 of IFRS 13.[4] This paragraph requires an entity to consider:

    (a) the level of detail necessary to satisfy the disclosure requirements;

    (b) how much emphasis to place on each of the various requirements;

    (c) how much aggregation or disaggregation to undertake;

    (d) whether users of financial statements need additional information to evaluate the quantitative information disclosed.

Detailed user objectives and information needs

30. The tables below provide a summary of the detailed feedback received:

    (a) **Table 3**: Fair value measurement: users' disclosure objectives.

    (b) **Table 4**: Fair value measurement: user's suggested items of information that could be used to meet their objectives.

[4] Note that paragraph 136 of IAS 19 contains a similar requirement. For comparison, the feedback received from users on IAS 19 suggested that problems with today's disclosures could not be resolved through more effective application of materiality alone. Feedback received from some users suggested that this *might* be the case for IFRS 13.

31. Please note that the information below is *not* a set of proposed disclosure objectives and requirements. Rather, it represents a summary of users' primary objectives and users' ideal information set to meet those objectives. This information is intended to facilitate discussion and help staff and Board Members to gather feedback about the likely costs and benefits of potential disclosure objectives and requirements.

Table 3—Fair value measurement: Users' disclosure objectives

		Link to specific items of information (see Table 4)
A	Understand the sensitivities of the entity's instruments measured at fair value. Specifically, users would like to understand: ✓ the range of possible values within which an entity's fair value measurements might fall ✓ where within that range the entity's fair value measurement does fall ✓ the events/circumstances that would make fair values materially different to those reported ✓ potential cash flow effect of an entity's exposure to changes in fair value	**4, 7, 9**
B	Determine the appropriate fair value adjustments to input into analyses such as enterprise value calculations.	**1, 5, 8**
C	Forecast future fair value movements in order to for example, determine expected returns on assets	**1, 6, 7, 10**
D	Assess the appropriateness of the inputs, techniques and amounts underlying an entity's fair value measurements. Specifically, users would like to assess whether they: ✓ can 'trust' the measurements arrived at by an entity. ✓ need to make any adjustments in their analysis (see objective **B**).	**3, 4, 5, 6, 7, 9**
E	Understand the nature and characteristics of the assets and liabilities measured at fair value, particularly for complex or hybrid instruments. Similar to objective **D**, this helps users to assess whether they, can trust the reported measurements, or need to make any adjustments in their analysis.	**1, 2**

Table 4—Fair value measurement: Users' suggested items of information that could be used to meet their objectives

		Buy-side	Sell-side	Credit	Link to objectives (see Table 3)	Covered by existing IFRS 13 requirements?
1	**Breakdown of the type of instruments within each level of the fair value hierarchy.** ✓ *Almost all users said that this is needed.* ✓ *For example, if the entity has derivatives as a type of instrument measured using fair value, explaining the specific type(s) of derivatives.* ✓ *Some users added that additional narrative explanation should be provided, particularly for complex instruments. This narrative should enable users to understand whether and how to factor each type of instruments in their enterprise value calculation or other method of analysis.*	✓	✓	✓	**B, C, E**	**Yes** Paragraphs 93(b) and 94 address disclosure of the level to which the appropriate instrument types belong. Note that narrative disclosures may be captured by IFRS 7 requirements.
2	**Narrative explanation about how an entity has determined which level an instrument belongs in, particularly where this involves judgement** ✓ *Some users thought that the boundaries between levels is unclear, and disclosure is needed to explain why an entity has allocated particular instruments to particular levels.* ✓ *Some users added that this is especially important for complex or hybrid financial instruments.*	✓	✓	✓	**E**	**No** Note however that IAS 1 requires disclosure of significant judgement
3	**Inputs used in deriving the fair value measurements** ✓ *Almost all users who analyse detailed fair value measurement identified this as useful information.*	✓	✓	✓	**D**	**Yes**

		Buy-side	Sell-side	Credit	Link to objectives (see Table 3)	Covered by existing IFRS 13 requirements?
4	**Sensitivity analysis of Level 3 fair value measurements** ✓ *Some users said they would like to see:* *- a wider range of possible fair value measurements in the analysis, particularly when the inputs have a non-linear effect on fair value; and* *- an analysis that shows the effect, on fair value, of changing multiple inputs simultaneously to reflect alternative assumptions.* ✓ *A few users said that the effect of possible changes in inputs on profit or loss/OCI should be disclosed. Additionally, these users said that the disclosure should be on a post-tax basis.*	✓	✓	✓	**A, D**	**Partly** Paragraph 93(h) addresses disclosure of the effect of changing multiple inputs simultaneously. However, it only requires narrative information and descriptions. Additionally, the Standard does not explicitly state how the effect of fair value on profit or loss or OCI should be disclosed.
5	**Valuation techniques and processes applied to Level 3 fair value measurements.** ✓ *A few users added that this information is only useful if it is **entity-specific** and **instrument specific**. For example, explaining the specific techniques applied in valuing the most significant individual types of level 3 instrument. These users said the disclosure needs to explain why particular valuation techniques are appropriate for an entity's own circumstances.*	✓	✓		**B, D**	**Yes**
6	**Reconciliation between opening and closing balances of Level 3 fair value measurement.** ✓ *Some users thought this is particularly useful in enabling them to understand and 'trust' level 3 measurements.* ✓ *A few users thought that the line item(s) indicating the transfers into and out of the level is the most useful rather than the reconciliation as a whole.* ✓ *A few users said that a reconciling item for the effect of foreign exchange is useful information.*		✓	✓	**C, D**	**Partly** Paragraphs 93(e) and 95 address most of these but does not specify whether the effects of changes in foreign exchange is required to be an individual reconciling item.

		Buy-side	Sell-side	Credit	Link to objectives (see Table 3)	Covered by existing IFRS 13 requirements?
7	**Additional disclosures for Level 2 instruments, similar to as those typically provided for Level 3** ✓ *Such disclosures would include information about the valuation techniques and processes applied, reconciliation from opening to closing balances and sensitivity analysis.* ✓ *These users think such disclosures would primarily respond to concerns that entities might inconsistently re-classify Level 3 instruments into Level 2 to avoid having to provide detailed Level 3 disclosures.* ✓ *A few other users thought this disclosure is not necessary. These users said that the disclosure of the amount of transfers into and out of the different levels of the fair value hierarchy addresses this concern.* ✓ *A few users added that information about the valuation techniques applied to Level 1 instruments should also be provided.*	✓	✓	✓	**A, C, D**	**No** Paragraph 93(d) requires disclosure of valuation techniques used for Level 2. Additionally, paragraph 93(c) addresses transfers between Level 1 and 2. However, full reconciliation, valuation processes used, and sensitivity analysis are only required for Level 3.
8	**Fair value of financial instruments not held at fair value** ✓ *This information was particularly highlighted as useful by those users analysing on an enterprise value basis.*		✓		**B**	**Yes**
9	**Quantitative sensitivity analysis for investment property measured at fair value** ✓ *A few users identified this as useful information.*		✓		**A, D**	**No**
10	**Explanation, and disaggregation of the total fair value of assets and liabilities recognised in the primary financial statements** ✓ *A few users identified this as more useful than the detailed information by level of the fair value hierarchy.* ✓ *Those users added that disaggregation of the amounts by geographical region and instrument type would be useful.*		✓		**C**	**Partly** Paragraph 94(a) addresses disclosure of the fair value measurement at the end of the reporting period. However, disaggregation by region is not explicitly required.

Appendix A: Wider sensitivity analysis on the pension obligation

A1. Almost all users said that relative to the existing disclosure requirements, they would like to see a wider sensitivity of the significant actuarial assumption(s) on the pension obligation, particularly when the assumptions have a non-linear effect on the pension obligation. Additionally, users said that they would like to see the analysis based on changing multiple assumptions simultaneously.

A2. The figure below illustrates a method of addressing this feedback. The illustration assumes that:

(a) the entity's significant actuarial assumptions are longevity and discount rate; and

(b) in deriving the pension obligation recognised in the financial statement, the entity used a discount rate of 2.65% and an average life expectancy of 26 years.

		Longevity				
		-2 years	-1 year	**26 years**	+1 year	+2 years
Discount rate	-100 basis points					
	2.65%			(659,000)[1]		
	+100 basis points					

(1) This amount represents the pension obligation recognised in the statement of financial position.

Appendix B: Existing disclosure requirements not specifically identified by users through outreach

B1. On IAS 19, users addressed the usefulness of all existing disclosure requirements (see Table 2) except those which relate to the description of any plan amendments, curtailments and settlements required in paragraph 139(c).

B2. On IFRS 13, users did not specifically highlight the following existing requirements as useful in meeting the objectives described in Table 3:

Paragraph	Disclosure requirement
93(f)	for recurring fair value measurements categorised within Level 3 of the fair value hierarchy, the amount of the total gains or losses for the period in [paragraph 93](e)(i) included in profit or loss that is attributable to the change in unrealised gains or losses relating to those assets and liabilities held at the end of the reporting period, and the line item(s) in profit or loss in which those unrealised gains or losses are recognised.
93(i)	for recurring and non-recurring fair value measurements, if the highest and best use of a non-financial asset differs from its current use, an entity shall disclose that fact and why the non-financial asset is being used in a manner that differs from its highest and best use.
98	For a liability measured at fair value and issued with an inseparable third-party credit enhancement, an issuer shall disclose the existence of that credit enhancement and whether it is reflected in the fair value measurement of the liability.