IFRS

STAFF PAPER

February 2020

IASB® Meeting

Project	**Disclosure Initiative—Targeted Standards-level Review of Disclosures**
Paper topic	Lessons learned from testing the draft Guidance to date

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Purpose and structure of this paper

1. The purpose of this paper is:

   (a) to provide a summary of lessons learned to date from testing the draft Guidance for the Board when developing and drafting disclosure sections of IFRS Standards in future ('draft Guidance'); and

   (b) to consider whether and how to update the draft Guidance in light of those lessons.

2. This paper is structured as follows:

   (a) Summary of staff recommendations (paragraphs 3-5);

   (b) Background (paragraphs 6-9);

   (c) Lessons learned (paragraphs 10-42):

      (i) how the Board will use disclosure objectives (paragraphs 11-17)

      (ii) how the Board will develop the content of disclosure sections of IFRS Standards (paragraphs 18-28)

      (iii) how the Board will draft disclosure sections of IFRS Standards (paragraphs 29-42)

   (d) Conclusion and questions for the Board (paragraph 43-46).

(e) Appendix A—Testing work performed on the draft Guidance

(f) Appendix B—Summary of outreach with users of financial statements

Summary of staff recommendations

3. We have tested many aspects of the sections covered by the draft Guidance. These include:

   (a) how the Board will use disclosure objectives.

   (b) the process for developing the content of disclosure sections of IFRS Standards—specifically:

      (i) working with the IFRS Taxonomy team;

      (ii) implementing a tailored outreach programme with primary users of financial statements; and

      (iii) performing outreach with other stakeholders.

   (c) drafting disclosure sections of IFRS Standards—specifically:

      (i) the use of language; and

      (ii) leveraging requirements and guidance across IFRS Standards and other IFRS publications.

4. In light of lessons learned from the testing to date, we recommend that the Board update its draft Guidance, such that:

   (a) the prescriptive 'shall' language is used to articulate a particular piece of information that is *always essential* to satisfy a specific disclosure objective. Otherwise, the less prescriptive language 'while not mandatory, the following may enable an entity to meet this objective …' is used.

   (b) high-level, catch-all disclosure objectives are presented at the beginning of the relevant disclosure section in an IFRS Standard.

5. The next phase of the project i.e., the Exposure Draft and the feedback on that document, will enable the Board to further test and refine the draft Guidance.

Background

6. In its May, June and July 2018 Board meetings, the Board developed a draft Guidance to use when developing and drafting disclosure sections of IFRS Standards in future ('draft Guidance'). The draft Guidance describes how the Board will:

   (a) use disclosure objectives more effectively;

   (b) improve the process by which it develops the content of disclosure sections of IFRS Standards; and

   (c) draft disclosure sections of IFRS Standards to communicate their intent more effectively to stakeholders.

7. At its July 2018 meeting, the Board selected IAS 19 *Employee Benefits* and IFRS 13 *Fair Value Measurement* as the two Standards on which to test the draft Guidance. The objectives of testing the draft Guidance on these Standards are:

   (a) to improve the draft Guidance; and

   (b) to improve the disclosure sections in those Standards so that applying them provides information that is more useful to primary users of financial statements ('primary users').

8. The Board has now made tentative decisions about disclosures in those Standards. This has allowed the Board to test many aspects of the draft Guidance. Some of the other aspects will be tested at a later stage in the project, for example, after publishing the Exposure Draft of proposed amendments to IAS 19 and IFRS 13 ('Exposure Draft'). Appendix A summarises the draft Guidance, our testing work to date and areas for further testing at a later stage.

9. We think it is important that the Board consider the lessons learned at this stage before publishing the Exposure Draft. This will enable the Board to include information about the draft Guidance, in the Basis for Conclusions, that:

   (a) reflects the Board's most up to date thinking about how to improve the way it develops and drafts disclosure sections of IFRS Standards in future; and

   (b) enables stakeholders to comment on all aspects of the draft Guidance.

Lessons learned

10. The following paragraphs discuss lessons learned from testing each section of the draft Guidance:

    (a) using disclosure objectives (paragraphs 11-17).

    (b) developing the content of disclosure sections of IFRS Standards (paragraphs 18-28).

    (c) drafting disclosure sections of IFRS Standards (paragraphs 29-42).

Using disclosure objectives

11. The draft Guidance modifies the existing approach to using specific disclosure objectives, in a way that:

    (a) uses specific disclosure objectives to explain why particular disclosure information is useful to primary users; and

    (b) combines specific disclosure objectives with examples of information an entity may use to satisfy those objectives.

12. The draft Guidance provides the following example to illustrate how the Board will structure disclosure sections of IFRS Standards using this modified approach:

    > "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 "

13. We think the testing process demonstrated that the Board *can* develop and articulate detailed specific disclosure objectives that reflect the needs of primary users (see paragraphs 22-25). Furthermore, we think the Board's tentative decisions about specific disclosure objectives should provide more useful information about employee benefits and fair value measurements, if they are applied as intended. However, feedback from stakeholders, in particular from preparers, auditors and regulators, will be important to assess how clear and effective those tentative specific disclosure objectives are.

14. In addition, it is worth noting that the Board's tentative specific disclosure objectives are not articulated in the format illustrated in paragraph 12—that is, combining the specific disclosure objective with the specific explanation of why primary users need the information. Instead, those tentative specific disclosure objectives take the following format—that is, separating the specific disclosure objective from the explanation of why the information is useful to primary users:

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

15. The Board's updated format responds to lessons learned during the testing process. Specifically, that the Board cannot write disclosure objectives in a way that requires a preparer to do a user's analysis for them. For example, one of the Board's tentative specific disclosure objectives in IAS 19:

    (a) requires an entity to disclose information that will enable primary users to understand amounts in the primary financial statements arising from defined benefit plans during the reporting period; and

    (b) goes on to explain that users need this information (i) to navigate subsequent detailed pension disclosure information and reconcile it to the primary financial statements and, (ii) to identify amounts to adjust for in their own analysis.

16. During testing, we identified that placing a compliance burden on preparers that is dependent on how a user chooses to perform their own analysis is impractical and unenforceable. In the above example, a preparer can reasonably be held to account for achieving the clear communication and the understanding required in 15(a). However, a preparer cannot be held to account for the user analysis described in 15(b)—instead this information will help a preparer fully understand the objective and perform effective judgement about how to best satisfy it. Consequently, the Board has articulated its tentative specific disclosure objectives on IAS 19 and IFRS 13 in the way described in paragraph 14. This is intended to help preparers without introducing an unrealistic compliance burden.

17. We think this approach does not fundamentally change the draft Guidance. However, we think it would be helpful to clarify, in the Basis for Conclusions to the Exposure Draft, the Board's expectations about how preparers should use the explanation of what primary users will do with information provided to meet specific disclosure objectives.

Developing the content of disclosure sections of IFRS Standards

18. In the following paragraphs, we discuss lessons learned from testing this section of the draft Guidance that relates to:

    (a) working with the IFRS Taxonomy team (paragraphs 19-21);

    (b) implementing a tailored outreach programme with primary users of financial statements (paragraphs 22-25); and

    (c) performing outreach with other stakeholders (paragraphs 26-28).

Working with the IFRS Taxonomy team

19. We worked with the IFRS Taxonomy team to identify any common reporting practice, application challenges, or inconsistencies with the existing disclosure requirements in IAS 19 and IFRS 13.

20. We found the process of working with the IFRS Taxonomy team useful. In particular, it was useful to have the results of their common reporting practice review ('review') as it helped identify additional matters to ask questions about during meetings with primary users. However:

    (a) in the case of IFRS 13, where a comprehensive review had been completed, the items identified were very detailed and not critical to users. Such items were more effectively considered as part of the Board's deliberations on how to satisfy user needs.

    (b) in the case of IAS 19, the IFRS Taxonomy team is still working on a comprehensive review. Consequently, it was not possible to use information from the review in developing our proposals. We note that it is unlikely that the IFRS Taxonomy team will always have completed a comprehensive review for every project. Therefore, at a later stage, the Board may want to clarify how to effectively use the IFRS Taxonomy team expertise in developing disclosure proposals when a comprehensive review has not been done.

21. In addition, it was useful to discuss the potential implications of the approach for the IFRS Taxonomy and electronic reporting when developing the proposed disclosures (see ***November 2019 Agenda Paper 11A***). We plan to further discuss how the Board's proposals can be reported in an electronic format with the IFRS Taxonomy team as the project progresses.

Tailored outreach programme with primary users of financial statements

22. From November 2018 to April 2019, Board Members and staff undertook a tailored user outreach programme. Appendix B summarises our approach to developing and implementing that outreach programme.

23. We think our approach to user outreach was effective in obtaining a detailed understanding of primary users' information needs on IAS 19 and IFRS 13. We think this wealth of information enabled the Board to develop detailed specific disclosure objectives for these Standards. In particular, we think that:

    (a) meetings with individual users, as opposed to large groups, enabled us to achieve a detailed understanding of primary users' needs;

    (b) the meeting materials and questions asked (see Appendix B) were effective in facilitating discussions; and

    (c) the mix of user type, geography and industry specialism (see Appendix B) were helpful in enabling us to get a representative picture of primary users' needs.

24. Nevertheless, the user outreach programme took around six months to plan and complete. This is longer than the staff had originally anticipated. We also asked for a lot of time from individual users—although the users we spoke to were generally engaged with the process and supportive of the project.

25. We think this aspect of the draft Guidance is fundamental to improving the way the Board develops and drafts disclosure sections of IFRS Standards in the future. Furthermore, we think the tentative specific disclosure objectives arising from our user outreach will facilitate more effective judgement on employee benefit and fair value measurement disclosures. We think time spent on user outreach will be

justified if the benefits of enabling preparers to apply more effective judgement are realised. However, this outcome can only be tested once the Board has concrete examples to do field work and discuss with preparers, auditors and regulators—i.e. when the Exposure Draft is published. Consequently, at a later stage, the Board may want to re-visit the cost-benefit balance of the approach to user outreach.

Performing outreach with other stakeholders

26. Having substantially completed the user outreach, we consulted with other stakeholders, including:

    (a) Capital Markets Advisory Committee (CMAC) in March and June 2019

    (b) Global Preparers Forum (GPF) in March and June 2019

    (c) Accounting Standards Advisory Forum (ASAF) in April 2019

    (d) IFRS Taxonomy Consultative Group (ITCG) in June 2019

27. We think our consultation with CMAC and GPF was effective. This enabled us to get early input about costs and benefits which factored into the Board's technical decisions on disclosures about IAS 19 and IFRS 13. Furthermore, we think the joint CMAC and GPF meeting in June 2019 was particularly helpful in:

    (a) understanding the likely cost of meeting specific user needs versus the expected benefits that users will gain from the information; and

    (b) identifying alternative disclosures that satisfy the same user information need but are less costly to prepare.

28. In contrast, we think consultations with ASAF and ITCG may have been more effective at a later stage of the project. While providing a number of useful comments, members of both groups found the early discussions a little hypothetical and said they would find it easier to consult and comment on a concrete set of proposals. Consequently, we will undertake further outreach activities with these stakeholders at the Exposure Draft stage.

Drafting disclosure sections of IFRS Standards

29. In the following paragraphs we:

    (a) discuss lessons learned from testing this section of the draft Guidance that relates to:

        (i) the use of language (paragraphs 30-34); and

        (ii) leveraging requirements and guidance across IFRS Standards and other IFRS publications (paragraphs 35-37).

    (b) further consider what the draft Guidance requires about the placement and presentation of high-level, catch-all disclosure objectives (paragraphs 38-42)

Use of language

30. The draft Guidance requires the Board to consider the language to use when drafting disclosure sections of IFRS Standards. In particular, that the Board needs to balance language that is prescriptive enough to encourage comparability but not so prescriptive that it discourages the use of judgement.

31. To achieve this, the draft Guidance requires that the Board use prescriptive language (for example, 'shall') when referring to the disclosure objectives and less prescriptive language when referring to the specific examples of information to satisfy the objective.

32. At its November 2019 meeting, prior to discussing examples of information to meet the tentative disclosure objectives for IAS 19 and IFRS 13, the Board further considered the exact language to use (see ***November 2019 Agenda Paper 11A***). The Board tentatively decided:

    (a) to continue using the prescriptive 'shall' language when referring to the disclosure objectives; and

    (b) to update the use of language when referring to specific examples of information, such that:

        (i) the prescriptive 'shall' language is used when a particular piece of information is always essential to satisfy a particular disclosure objective; otherwise

(ii) the less prescriptive language 'while not mandatory, the following may enable an entity to meet this objective' is used.

33. We think the application of the Board's latest thinking about the use of language on IAS 19 and IFRS 13 was effective. Specifically, we think it was relatively straightforward to identify those examples of information that should use the prescriptive 'shall' language. Furthermore, consistent with the draft Guidance, we note that the Board used the prescriptive language for the examples of information for IAS 19 and IFRS 13 in only a few instances.

34. As described in ***November 2019 Agenda Paper 11A***, we acknowledge, and intend, that this approach is likely to have significant consequences on the way preparers, auditors and other stakeholders approach disclosure of information. We think these consequences are key matters to explore with those stakeholders after issuing the Exposure Draft. For example, we think the Board could do field work to test the approach with preparers, auditors and regulators in different jurisdictions. This would enable the Board to gather feedback on the practical consequences of the approach in the draft Guidance.

Leveraging requirements and guidance across IFRS Standards and other IFRS publications

35. The draft Guidance requires that the Board seek to minimise inconsistencies or duplication in IFRS Standards by linking similar disclosure requirements in different Standards *to the extent possible*.

36. In testing this aspect of the draft Guidance with IAS 19 and IFRS 13:

(a) the Board to was able to use wording in recently issued Standards to promote consistent drafting of disclosure objectives and requirements. For example, the Board used language similar to that used in IFRS 15 *Revenue from Contracts with Customers* in drafting guidance about aggregation or disaggregation in the high-level, catch-all disclosure objectives for these Standards.

(b) in a *few* instances the Board included examples of information in its tentative decisions that were similar to a disclosure requirement in another IFRS Standard. For example, to meet the specific disclosure objective about amounts in the financial statements arising from defined benefit plans during the period, the Board identified that an entity should disclose the deferred tax asset or liability arising from the plans. In these cases, it was more effective to duplicate the item than to cross-refer to other Standards. This approach provided a clearer link between the specific disclosure objectives and the examples of information to satisfy the objectives.

37. Furthermore, consistent with the draft Guidance, the Board's tentative decisions on disclosures for IAS 19 and IFRS 13 avoided making generic or overarching references to materiality. We continue to think this is the right approach in order to make clear that materiality is an overarching concept that applies across all disclosure requirements in IFRS Standards. We think including references to materiality in the disclosure sections of IAS 19 and IFRS 13 could cause more harm than good—for example, by inferring that materiality does not apply to the disclosure sections of other Standards.

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

38. The draft Guidance explains that high-level, catch-all disclosure objectives will be used to prompt preparers to consider whether the overall set of disclosures provided are sufficient after complying with all of the specific disclosure objectives in an IFRS Standard. Therefore, the draft Guidance requires high-level, catch-all disclosure objectives to be presented at the end of the disclosure section in an IFRS Standard.

39. During the testing process, a few Board Members suggested that it may be more appropriate to place the high-level, catch-all objective at the beginning of the disclosure section. In their view, this objective provides contextual guidance that emphasises how the entity applies the specific disclosure objectives.

40. The high-level, catch-all disclosure objectives the Board tentatively decided on for IAS 19 (in particular, defined benefit plans) and IFRS 13 narrows the overarching objectives of general purpose financial reporting to those Standards. In addition, those tentative objectives also highlight helpful information about how an entity aggregates or disaggregates information to satisfy those specific disclosure objectives.

41. Staff agree that placing the high-level, catch-all disclosure objective at the beginning of the disclosure section would be more appropriate. This is because it would help an entity apply any additional guidance, for example about aggregation or disaggregation, in the high-level, catch-all disclosure objective as they work through the specific disclosure objectives.

42. Therefore, we recommend that the Board update its draft Guidance to present high-level, catch-all disclosure objectives at the beginning of the disclosure section.

Conclusion and questions for the Board

43. In this paper, we have discussed lessons learned from the initial testing of the draft Guidance. In light of those lessons, we recommend that the Board update its draft Guidance, such that:

    (a) the prescriptive ‘shall’ language is used to articulate a particular piece of information that is always essential to satisfy a specific disclosure objective. Otherwise, the less prescriptive language ‘while not mandatory, the following may enable an entity to meet this objective …’ is used.

    (b) high-level, catch-all disclosure objectives are presented at the beginning of the relevant disclosure section in an IFRS Standard.

44. The next stage of the project will be to issue an Exposure Draft for stakeholders to comment on. In the Exposure Draft, we will:

    (a) describe the draft Guidance in the Basis for Conclusions; and

    (b) ask specific questions about how effective the approach described in the draft Guidance is.

45. We think feedback from preparers, auditors, regulators and other stakeholders on the practical consequences of the approach described in the draft Guidance will be very important in finalising the draft Guidance. In addition to our usual outreach activities, we plan to conduct field work with these stakeholders. This will enable the Board to collect all the necessary information to determine whether, and how, to make further revisions to the draft Guidance before it is finalised.

46. Finally, we think that improving the disclosure problem will be an iterative process for all stakeholders, including the Board. Therefore, we see the draft Guidance as a 'living document' that may need to be revised from time to time on the basis of the Board's experience working with it and of stakeholder's experience in implementing it.

Question
1) Does the Board agree with the staff recommendations in paragraph 43?
2) Does the Board have any other questions or comments about the matters discussed in this paper?

Appendix A—Testing work performed on the draft Guidance

A1. The table below summarises the draft guidance for the Board when developing and drafting disclosure sections of IFRS Standards (***September 2018 Agenda Paper 11A***) and work performed to date for IAS 19 and IFRS 13.

Draft guidance	Work performed to date and/or planned
Step 1—How the Board will use disclosure objectives	
Develop specific disclosure objectives Develop high-level, catch-all disclosure objectives	• This formed part of the Board's technical decisions on IAS 19 and IFRS 13 between July 2019 and February 2020.
Step 2—How the Board will develop the content of disclosure objectives and requirements (focused methodology)	
(A) Understand the existing issue(s)	
Consider undertaking the following activities: (a) identify the issue; (b) identify the scope of the issue; and (c) obtain stakeholder feedback on the issue.	• The Board undertook these activities as part of selecting the two test Standards for review (see ***July 2018 Agenda Paper 11D***).
(B) Understand what information stakeholders want and why	
Users of financial statements	
Obtain a deep understanding of the information needs of primary users	• We developed and implemented a tailored outreach programme with users of financial statements between November 2018 and April 2019 (see Appendix B).

Consider developing a tailored outreach programme with users	• We developed and implemented a tailored outreach programme with users of financial statements between November 2018 and April 2019 (see Appendix B). • We consulted CMAC at its March 2019 meeting and at the June 2019 joint meeting of CMAC and GPF.
Stakeholders other than users of financial statements	
Consult with other stakeholders to understand their priorities and concerns about disclosure requirements in the project.	• We consulted with preparers and National Standard Setters during March and April 2019. • We consulted GPF at the June 2019 joint meeting of CMAC and GPF. • We will consult with other stakeholder types after the Board publishes an Exposure Draft of proposed amendments to IAS 19 and IFRS 13.
In obtaining input from stakeholders other than users, the Board should consider: (a) outreach meetings with preparers, regulators, auditors, National Standard-setters, accounting firms, accountancy bodies and others; (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.	• We consulted GPF at its March 2019 meeting. • We consulted ASAF at its April 2019 meeting. • We will consult with other stakeholder types after the Board publishes an Exposure Draft of proposed amendments to IAS 19 and IFRS 13. • We will consider comment letter feedback from the Exposure Draft of proposed amendments to IAS 19 and IFRS 13.

(C) Understand what disclosure would be required to support proposed recognition and measurement requirements	
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.	• This step is largely not applicable to this project because the Board is not making any decisions about recognition and measurement. • However, the Board considered existing disclosure requirements to support recognition and measurement requirements in making decisions about amendments to the disclosure sections of IAS 19 and IFRS 13.
(D) Perform a cost-benefit analysis	
This step will be formalised and documented as part of the effects analysis developed for publication. However, the costs and benefits of project proposals should be considered as early as possible and revised throughout the life of the project. The Board may also decide to design a dedicated outreach programme to gather additional feedback on the proposed disclosure objectives and requirements.	• We consulted GPF (March 2019) and ASAF (April 2019) about the costs and benefits of potential disclosure objectives and requirements. • We plan further consultation after the Board publishes an Exposure Draft of proposed amendments to IAS 19 and IFRS 13. • We will recommend that the Board ask specific questions about costs and benefits in the Exposure Draft.
(E) Understand and document the effects of the proposed disclosure objectives and requirements	
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.	• We plan to undertake this step at a later stage in the project.

<table>
<tr><th colspan="2">Step 3—How the Board will draft disclosure objectives and requirements</th></tr>
<tr><td>Use of language</td><td rowspan="3">• This formed part of the Board's technical decisions on IAS 19 and IFRS 13 between July 2019 and February 2020.</td></tr>
<tr><td>Formatting and presentation within IFRS Standards</td></tr>
<tr><td>Leveraging requirements and guidance across IFRS Standards and other IFRS publications</td></tr>
<tr><th colspan="2">Work with IFRS Taxonomy team to understand stakeholder feedback and:</th></tr>
<tr><td>Current disclosure objectives and requirements. For example:
(a) any common application challenges or inconsistencies; and
(b) any duplication or contradiction between requirements in IFRS Standards</td><td>• We consulted with the IFRS Taxonomy Consultative Group at their June 2019 meeting.</td></tr>
<tr><td>Any potential issues with disclosure proposal(s)</td><td rowspan="5">• We considered common reporting practice feedback from the IFRS Taxonomy team. For IFRS 13, the detailed matters identified were discussed with users of financial statements (see paragraph 20). Those matters were incorporated in technical staff analysis discussed with the Board between July 2019 and February 2020. In addition, the technical staff papers included discussions about the potential implications, for the IFRS Taxonomy and electronic reporting, of the approach in the draft Guidance.
• We plan to continue with this work as the project progresses (including, during drafting and consultation for the Exposure Draft).</td></tr>
<tr><td>Whether the disclosure proposal(s) can be incorporated into the IFRS Taxonomy</td></tr>
<tr><td>The interaction of the disclosure proposal(s) with common reporting practice, IFRS Standards and accompanying materials such as implementation guidance and illustrative examples</td></tr>
<tr><td>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</td></tr>
<tr><td>Whether the disclosure proposal(s) can be incorporated into the IFRS Taxonomy</td></tr>
</table>

Appendix B—Summary of outreach with users of financial statements

B1. The draft Guidance states that users should be consulted to 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 should be to adequately meet their needs; and

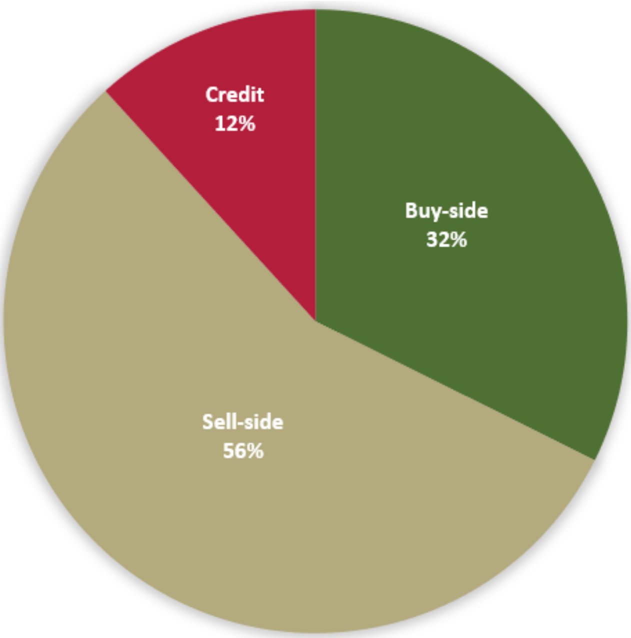
(e) the relative prioritisation of the requested information. For example, distinguishing between the information critical to their analysis and information that is 'nice to have'.

Outreach performed

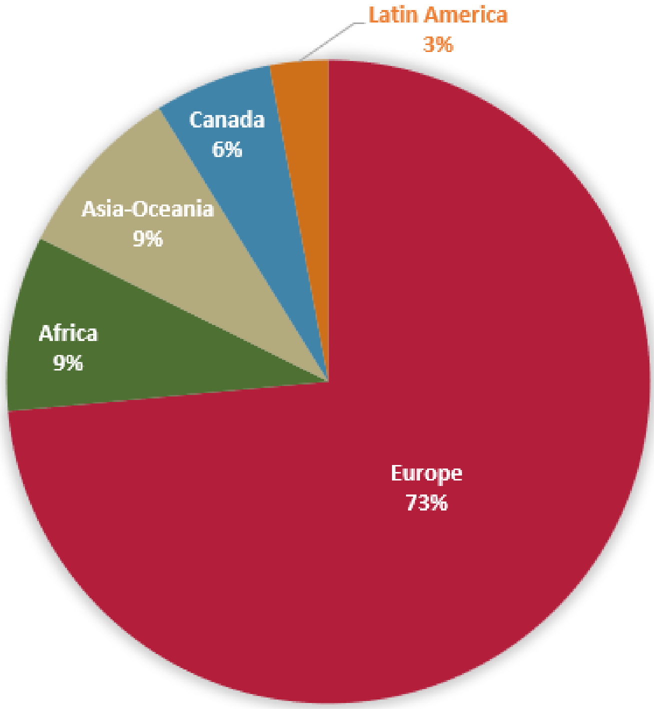
B2. From November 2018 to April 2019, Board Members and staff undertook a tailored user outreach programme.

B3. Board members and staff held 21 meetings with 35 users. 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 users' objectives and information needs in detail.

B4. 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:



B5. The graph below classifies the users that we spoke to based on the location of the companies they monitor:



B6. Finally, the users we spoke to include both generalists and industry specialists covering banking, healthcare, insurance, pharma, retail and utilities.

Questions asked

B7. We asked users questions designed to gather the information listed in paragraph B1 for each of IAS 19 and IFRS 13. The three questions we asked are shown below.

Question 1

How do you analyse information?

a) What are the inputs to your analysis?

b) How do you use the information?

c) Is there any analysis that you would like to do, but cannot because you don't have the information?

Question 2

In the meeting materials are extracts from [XXX's][1] annual report

a) Can you highlight which disclosures are useful to you today, and why?

b) Are there any disclosures for which an alternative piece of information would be more useful? Why? Are those alternative disclosures provided by other companies that you are aware of?

c) What are your views on the level of granularity provided? Would you like more or less disaggregation on any information?

d) Are there any disclosures that you do not use at all?

Question 3

If you had a blank page…

a) What would be your ideal information set and why?

b) If relevant, can you distinguish between critical and 'nice to have' information?

c) How granular does the information need to be to meet your needs?

B8. We did not ask each user to answer every specific question. Instead, we explained the objectives of the project and the outreach meeting and invited users to answer those questions that best enabled them to share their views with us.

Buy side vs sell side vs credit analysts

B9. The feedback described in ***May 2019 Agenda Papers 11B* and *11C*** did not always distinguish between feedback from buy-side, sell-side and credit analysts. This is because our outreach demonstrated that the underlying objectives of these groups were consistent for the two topics being discussed. 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.

B10. For example, buy-side users generally analyse a high volume of companies over a short period of time and, consequently, are often able to spend less time examining detailed disclosures than other user types. Therefore, while the underlying objectives are similar across the three groups, the amount and content of specific information they would like varies across buy-side, sell-side and credit analysts. Buy-side users are more likely to want concise and comparable information across all companies that they can understand quickly. Other types of users are more likely to delve into entity specific details.

[1] For each user, we included example disclosures from companies they monitor.