
IASB[®] meeting

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Project	Digital Financial Reporting
Topic	Cover paper
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This paper has been prepared for discussion at a public meeting of the International Accounting Standards Board (IASB). This paper does not represent the views of the IASB or any individual IASB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS[®] Accounting Standards. The IASB's technical decisions are made in public and are reported in the IASB *Update*.

Purpose of this meeting

1. In February 2022, as part of the IASB's Third Agenda Consultation on its priorities for 2022 to 2026, the IASB agreed to slightly increase its current level of focus on digital financial reporting. 'Digital financial reporting' in this context refers to the digital consumption of general purpose financial reports by users of those reports¹.
2. The IASB's historical focus with digital financial reporting has primarily been on updating the IFRS Accounting Taxonomy for updates to IFRS Accounting Standards, as well as some general maintenance. With an increased level of focus on digital financial reporting, the IASB can undertake activities beyond the maintenance of the IFRS Accounting Taxonomy to facilitate improved usefulness, quality, accessibility and comparability of digital financial information.
3. There are numerous activities that the IASB could undertake in this regard. The purpose of this meeting is to seek IASB members' feedback on the priority digital financial reporting activities that staff think the IASB should undertake.
4. At this meeting, the IASB will discuss:
 - (a) Agenda paper 25A *A digital financial reporting strategic framework*; and
 - (b) Agenda paper 25B *Priority digital financial reporting activities*.
5. The strategic framework set out in Agenda paper 25A comprises a digital financial reporting vision, strategic objective and strategic components. The framework is intended to:
 - (a) provide strategic direction and boundaries to help identify possible digital financial reporting activities to undertake; and
 - (b) provide consistent language for communicating the digital financial reporting strategy.

¹ Other technology and digital-based considerations, such as the following, are beyond the scope of this discussion:

- accounting for emerging technologies and digital innovations (eg, accounting for cryptocurrencies);
- facilitating, for example, the collection, analysis, record-keeping and measurement by preparers of information communicated in general-purpose financial reports;
- improvements to the efficiency and effectiveness of the standard-setting process; and
- digital engagement with stakeholders (eg, virtual conferences, online surveys, website).

6. Agenda paper 25B sets out the possible priority digital financial reporting activities, including how staff identified and prioritised these activities.
7. The IASB is not being asked to make any decisions at this meeting.

Next steps

8. Staff think that many of the digital financial reporting considerations for the IASB and the International Sustainability Standards Board (ISSB) are similar and see opportunities for connectivity. Staff have, therefore, developed the digital financial reporting strategic framework with both the IASB and ISSB in mind. In doing so, the staff considered:
 - (a) the ISSB's decision at its October 2022 meeting on its two-year work plan to advance the IFRS Sustainability Disclosure Taxonomy for digital reporting; and
 - (b) feedback from ISSB members at its November 2022 meeting on stakeholder comments on the staff draft of the IFRS Sustainability Disclosure Taxonomy.
9. The ISSB will be consulted regarding the priority digital financial reporting activities included in Agenda Paper 25B to confirm how this aligns with their discussions on their work plan and capacity building planning.
10. Staff will, thereafter, provide periodic updates on the progress of the priority digital financial reporting activities.