
IASB® meeting

Date	January 2024
Project	Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures
Topic	Sweep issues—updating the language of disclosure requirements
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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 paper

1. The purpose of the paper is to ask the International Accounting Standards Board's (IASB) agreement to some more judgemental changes to the disclosure requirements proposed in the Exposure Draft *Subsidiaries without Public Accountability: Disclosures* (the Exposure Draft) resulting from implementing the modified approach to developing these requirements discussed at the [October 2022](#) and [April 2023](#) IASB meetings, in addition to those changes presented at the [October 2023](#) IASB meeting.

Structure of this paper

2. This paper is structured as follows:
 - (a) background (paragraphs 3–6); and
 - (b) staff analysis and recommendations (paragraphs 7–8).

Background

3. The IASB tentatively decided, at its [October 2022](#) meeting, to modify its approach to developing reduced disclosure requirements proposed in the Exposure Draft to ensure that the language used in the disclosure requirements is the same as the language in other IFRS Accounting Standards (modified approach).
4. In [Agenda Paper 31B Approach to developing the proposed disclosure requirements](#) of the April 2023 IASB meeting, the staff outlined how it would align the language from the Exposure Draft to the language in other IFRS Accounting Standards and noted some of the challenges encountered as part of the staff's initial analysis.
5. In [Agenda Paper 31 Sweep issues—updating the language of disclosure requirements](#) of the October 2023 IASB meeting, the staff highlighted some of the more judgemental changes to the disclosure requirements proposed in the Exposure Draft as a result of following this modified approach, as well as instances where the staff recommended a departure from the language in other IFRS Accounting Standards.
6. This paper highlights further judgmental changes that were identified in finalising the drafting of the new Standard.

Staff analysis and recommendations

7. This paper presents for the IASB's approval changes to the disclosure requirements proposed in the Exposure Draft, falling into two categories:
 - (a) deletion of proposed disclosure requirements that have no equivalent in other IFRS Accounting Standards; or
 - (b) amendment of proposed disclosure requirements to require additional or alternative information to match what is required in other IFRS Accounting Standards.

8. The following table summarises the staff's recommendations.

Topic	Exposure Draft paragraph	Staff recommendation
IFRS 15	96	Amend the wording in this paragraph to match the language in paragraph 120 of IFRS 15. The IASB had previously tentatively decided to simplify this requirement for subsidiaries without public accountability (see paper for November 2020). However, the staff recommend reverting to the language in IFRS 15 to be consistent with the modified approach).
IFRS 16	100(d)	Add a requirement based on paragraph 58 of IFRS 16 for a lessee to disclose a maturity analysis of lease liabilities separate from the maturity analyses of other financial liabilities. The IASB tentatively decided to require a maturity analysis for financial liabilities based on paragraph 39 of IFRS 7 (see paper for April 2023), and subsequently decided to delete the proposed requirement in paragraph 100(d) of the Exposure Draft to disclose a maturity for lease liabilities as otherwise the requirements would be duplicated (see paper for May 2023). However, to be consistent with the requirements in IFRS 16, the staff recommend adding a requirement to disclose a maturity analysis of lease liabilities separately from other financial liabilities according to the requirement based on paragraph 39 of IFRS 7.
IFRS 16	100(e)	Delete the proposed requirement to disclose 'a general description of the lessee's significant leasing arrangements' which was based on paragraph 20.13(c) of the <i>IFRS for SMEs</i> Accounting Standard. Add a requirement based on paragraph 59 of IFRS 16, amending the lead sentence to require the disclosure of qualitative or quantitative information about the features listed in subparagraphs (a)-(d).
IFRS 16	106(d)	Delete the proposed requirement to disclose 'the loss allowance for uncollectable lease payments receivable' in this paragraph as this is not required in IFRS 16. The credit risk disclosure requirements based on IFRS 7 already requires the entity to disclose this information.
IFRS 16	106(f)	Delete the proposed requirement to disclose 'a general description of the lessor's significant leasing arrangements' which was based on paragraph 20.23(f) of the <i>IFRS for SMEs</i> Accounting Standard. Add a requirement based on paragraph 92 of IFRS 16, amending the lead sentence to require the disclosure of qualitative

Topic	Exposure Draft paragraph	Staff recommendation
		or quantitative information about the features listed in subparagraphs (a) and (b).
IAS 12	147(c)	Amend the requirement in paragraph 147(c) of the Exposure Draft to match the requirement in paragraph 81(c) of IAS 12.
IAS 36	191	Amend the requirement in paragraph 191 of the Exposure Draft to match the requirement in paragraph 127 of IAS 36.

Question for the IASB

Does the IASB agree with the staff recommendations set out in the table in paragraph 8 of this paper?