

## STAFF PAPER

December 2016

## IASB Meeting

Project	Disclosure Initiative		
Paper topic	Cover paper		
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This paper has been prepared for discussion at a public meeting of the International Accounting Standards Board (the Board) and does not represent the views of the Board or any individual member of the Board. Comments on the application of IFRS<sup>®</sup> Standards do not purport to set out acceptable or unacceptable application of IFRS Standards. Technical decisions are made in public and reported in IASB<sup>®</sup> *Update*.

**Purpose of this session**

1. The purpose of this session is:
  - (a) to discuss whether the International Accounting Standards Board (the Board<sup>1</sup>) agrees with the exposure of the proposed clarifications to the definition of materiality separately in an Exposure Draft (the Materiality ED), rather than in the forthcoming Principles of Disclosure Discussion Paper;
  - (b) to complete the technical deliberations on the Exposure Draft IFRS Practice Statement: *Application of Materiality to Financial Statements* (the Practice Statement ED<sup>1</sup>) in order to proceed with the ballot of the final IFRS Practice Statement: *Application of Materiality to Financial Statements* (the final *Practice Statement*<sup>1</sup>); and
  - (c) to submit to the Board proposals on disclosures about restrictions on cash and cash equivalents.
2. This paper:
  - (a) introduces the papers that will be discussed during this session; and

<sup>1</sup> This definition has been used consistently in the Agenda Papers prepared for this meeting.

- (b) sets out the next steps of the Materiality projects.

## Papers for this session

3. **Agenda Paper 11A *Proposed clarifications to the definition of materiality and due process summary*** summarises the proposed clarifications to the definition of materiality discussed by the Board in its April 2015 meeting and asks the Board whether it agrees with exposing them in a separate Materiality ED. If the Board agrees, this paper also asks permission for the staff to begin the balloting process of the Materiality ED.
4. **Agenda Paper 11B *Prior period information*** discusses the application of materiality to prior period information. The Board discussed this issue during its October 2016 meeting<sup>2</sup> and asked the staff to provide further analysis. In particular the Board asked the staff to analyse the possibility of providing guidance on the application of materiality to previous period information without distinguishing between the ‘comparative financial statements’ and the ‘corresponding figures’ approaches to prior period information.
5. **Agenda Paper 11C *Due process steps followed*** summarises the due process steps undertaken throughout the Materiality Practice Statement project and asks the Board if it is satisfied that all the mandatory due process steps required to date have been met in developing the final *Practice Statement*. This paper asks permission for the staff to begin the balloting process of the final *Practice Statement*. The background to the Materiality Practice Statement project together with a summary of the tentative decisions the Board has made so far in the course of redeliberations on the Practice Statement ED are also provided in Agenda Paper 11C (paragraphs 4–9 and Appendix A, respectively).
6. **Agenda Paper 11D *Disclosures about restrictions on cash and cash equivalents*** provides background information on the cash restrictions proposals, sets out the staff analysis and includes a recommendation to the Board on how to proceed with the work on these proposals.

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<sup>2</sup> See Agenda Paper 11G *Comparative versus corresponding approach and conflicts with local regulations* presented to the Board in October 2016.

## **Next steps**

7. Subject to the Board permission, the staff will begin the balloting process for the final *Practice Statement* and the Materiality ED.