

# International Financial Reporting Standards



## Disclosure Initiative An overview

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# Before we start...

- You can download the slides by clicking on the button below the slides window
- To ask a question, type into the designated text box on your screen and click submit
- A recording of the webcast will be available after the presentation at <http://go.ifrs.org/Disclosure-Initiative>
- The views expressed are those of the presenters, not necessarily those of the IASB or IFRS Foundation

# Agenda

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- Background
- What is the disclosure problem?
- Next steps
- Interaction with the *Conceptual Framework*
- Timeline
- Questions

## *Agenda Consultation 2011*

- “A disclosure framework is needed to ensure that information disclosed is more relevant to investors and to reduce the burden on preparers”

### Discussion Forum

- Obtain views from those in the financial reporting process
- Survey also undertaken

### Feedback Statement

- Summarises what we have heard
- Highlights potential next steps for the IASB

## *February 2012 XBRL Trustees Strategy Review*

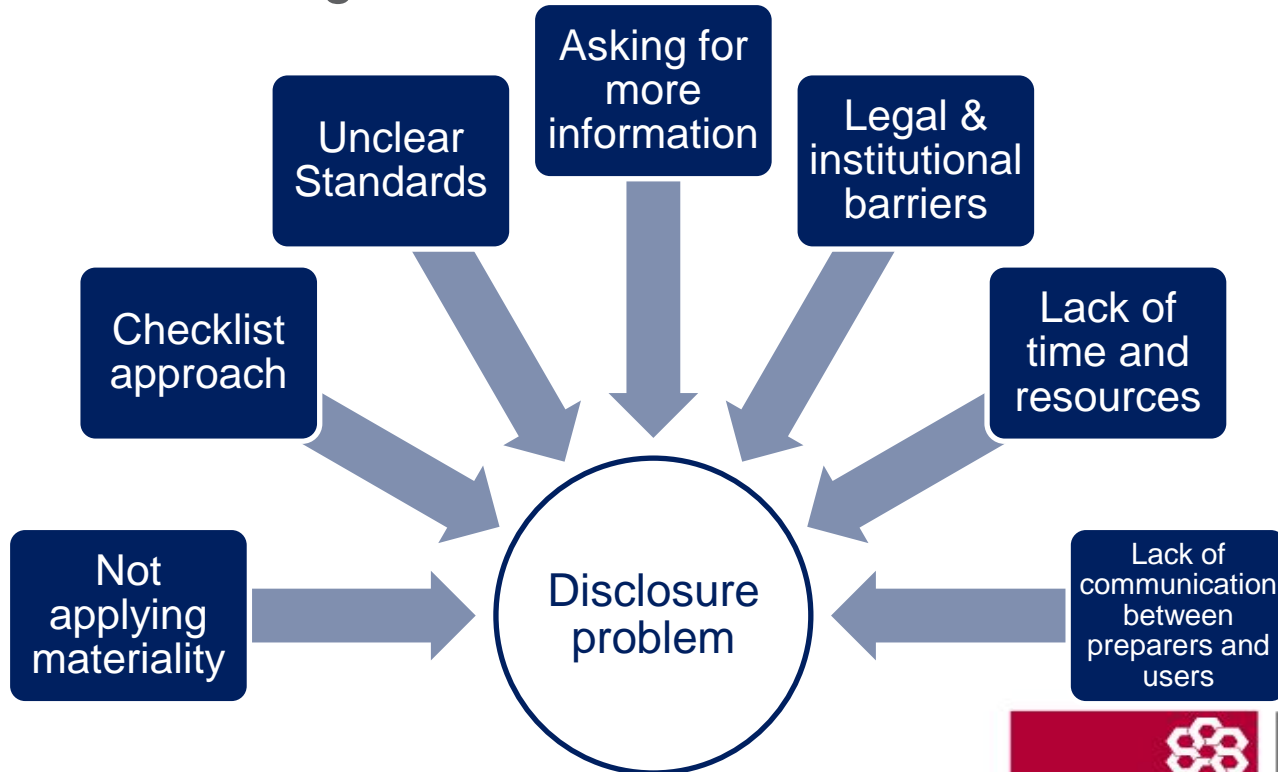
- “we plan to focus on how an IFRS Taxonomy can help facilitate regulatory filing requirements and help users of IFRS financial statements to consume that information”

Impacted the organisational structure and work priorities of the IASB XBRL team

- Due Process – further integration of standard-setting and IFRS Taxonomy activities
- Engagement – separating content from the XBRL architecture
- Role of technology – consideration of electronic reporting requirements when setting Standards

# What is the disclosure problem?

- Not clear we all agree – many factors contribute, including:



## Disclosure Initiative

Ongoing activities

Short-term steps

Medium-term steps

Digital reporting  
New EDs

Amendments to IAS 1

Materiality – assessment of existing guidance

Research project – IAS 1, IAS 7, IAS 8 and FSP project

Research project – review of existing Standards

# New EDs and digital reporting

## Time

- Ongoing

## Why

- The way IFRS disclosure requirements are worded can contribute to the disclosure problem
- Increase in importance of electronic delivery of financial information

## Response

- Look at the way new ED disclosure requirements are worded
- Integrate IFRS taxonomy development into IASB's work programme



# Amendments to IAS 1

## Time

- Short-term project
- First paper to IASB in late Q3
- Publish ED Q1 2014

## Why

- Perception that some language prevents judgement/requires certain presentations

## Response

- Propose amendments to IAS 1

# Amendments to IAS 1—what?

- Clarifying that including immaterial information can obscure material information
- Clarifying that the materiality assessment applies to the whole of the financial statements, including the notes
- Clarifying that the concept of materiality applies within each Standard
- Amend language that has been interpreted as prescribing the order of the notes
- Remove contradictory examples from the significant accounting policy disclosure requirements
- Include guidance about totals and subtotals

# Interaction with the work of the Interpretations Committee

- The Interpretations Committee have received submissions on the following aspects of IAS 1:
  - Going concern
  - Current/non-current classification for liabilities
  - Presentation of items of other comprehensive income arising from equity accounted investments
- We propose that the timing of the IASB's deliberations on these topics be linked with those of the Disclosure Initiative's short term amendments to IAS 1
- Combined deliberations, and the publication of a combined ED, will be more convenient and efficient for both the IASB and its constituents

## Time

- Short-term project
- Start in second half of 2013
- First paper to IASB Q1 2014

## Why

- Responding to concern that materiality is not being applied well in practice

## Response

- Working with auditors, regulators & others
- Assessing adequacy of existing guidance & propose whether additional guidance is required or not

# Research project: IAS 1, IAS 7, IAS 8 and FSP

13

## Time

- Medium-term project
- Start in 2013

## What

- Exploratory work on whether the work previously done on the FSP project could form the basis of a research project
- In parallel with the *Conceptual Framework*

## Outcome

- Could, in essence, be a disclosure framework for IFRSs
- Agenda Consultation 2015

# Research project: Standards-level review

14

## Time

- Medium-term project
- Over the next two years

## What

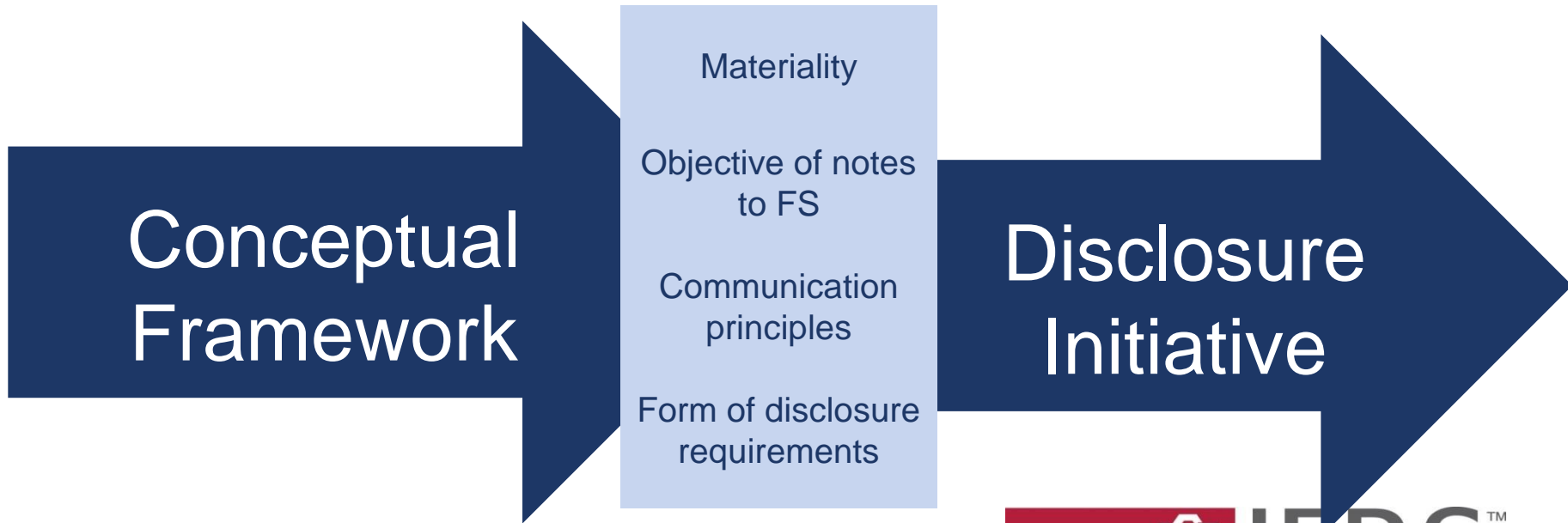
- Research project to review disclosure in IFRS more holistically
- Identify and assess conflicts, duplication and overlaps

## Outcome

- Assess whether additional action is required
- Agenda Consultation 2015

# Conceptual Framework

- Disclosure project in parallel with Conceptual Framework project. Projects inform each other – some overlap



# Draft timeline

2013		2014				Comments
	Q3-Q4	Q1	Q2	Q3	Q4	
Amendments to IAS 1	IASB deliberations	Publish ED			IFRS	Final date of IFRS subject to deliberations, comments, etc.
Materiality	Research	Paper to IASB				Outcome dependent on research
IAS 1, 7, 8 and FSP research	Project plan	Research (possible public research paper)				Potential 2015 Agenda Consultation proposal
Existing standards	Project plan	Research				Potential 2015 Agenda Consultation proposal





# More information

Disclosure Initiative website

<http://go.ifrs.org/Disclosure-Initiative>

Feedback Statement

<http://go.ifrs.org/Disclosure-Forum-Feedback-Statement-PDF>

Conceptual Framework website

<http://go.ifrs.org/Conceptual-Framework>