

STAFF PAPER

March 2013

IASB Meeting

Project	Proposed narrow-focus amendment to IAS 1		
Paper topic	Covering memo to the agenda papers		
CONTACT(S)	April Pitman	apitman@ifrs.org	+44 (0)20 7246 6492

This paper has been prepared by the staff of the IFRS Foundation for discussion at a public meeting of the IASB and does not represent the views of the IASB or any individual member of the IASB. Comments on the application of IFRSs do not purport to set out acceptable or unacceptable application of IFRSs. Technical decisions are made in public and reported in IASB *Update*.

1. In June 2012, the IFRS Interpretations Committee ('the Interpretations Committee') received a request for clarification about IAS 1 Presentation of Financial Statements. This Standard requires that when management are aware of material uncertainties about the entity's ability to continue as a going concern, those uncertainties shall be disclosed.
2. At this meeting, the IASB will discuss the proposed narrow-focus amendment to IAS 1 about the disclosure of these material uncertainties.

Agenda papers presented

3. The papers presented to the March meeting of the IASB are:
 - (a) *3A Disclosure requirements about an assessment of going concern*

At their November 2012 meeting, the Interpretations Committee tentatively decided to prepare a narrow-focus amendment to IAS 1 that answers two questions:

- (i) When should an entity be required to disclose information about material uncertainties related to events or circumstance that cast significant doubts upon the entity's ability to continue as a going concern?
- (ii) What is the objective of those disclosures and what disclosures should be required?

The purpose of this paper is to present the proposed amendments to IAS 1 to you for discussion and review.

(b) *3B Time frame for an assessment of going concern*

In considering disclosures about material uncertainties about an entity's ability to continue as a going concern, the Interpretations Committee also discussed the time period that should be covered by the going concern assessment required by IAS 1. Some members of the Interpretations Committee suggested that we should extend the proposed amendment in order to align the assessment time frame in IAS 1 with those of local auditing requirements. The purpose of this paper is to provide you with information about the assessment time frame in IAS 1 and also about the time frames set out in local auditing requirements, so that you can assess whether, and how, that alignment should take place.

Questions for the IASB

4. Agenda Paper 3A, about the disclosure of material uncertainties about an entity's ability to continue as going concern, asks the IASB:
 - (a) whether you agree with the Interpretations Committee's recommendation to propose an amendment to IAS 1;
 - (b) whether you have any comments or queries on the proposed amendment to IAS 1 contained in the paper; and
 - (c) whether you approve exposing the proposed amendment to IAS 1 for public consultation?
5. Agenda Paper 3B, about the time frame used for an assessment of going concern, asks the IASB:
 - (a) whether the Exposure Draft of the proposed narrow-focus amendment to IAS 1—about disclosures relating to material uncertainties about an entity's ability to continue as a going concern—should include a question about aligning the time frame in IAS 1 with those of local auditing requirements; and

(b) what form that question should take.