STAFF PAPER

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IASB Meeting

Project	**Disclosure Initiative**		
Paper topic	Proposed amendments to IAS 1: feedback summary		
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Purpose of this paper

1. This agenda paper summarises the main feedback received from comment letters in response to the *Disclosure Initiative: Proposed amendments to IAS 1* Exposure Draft (the ED). The ED also included a proposal from the IFRS Interpretations Committee on the presentation of items arising from equity-accounted investments.

2. The ED was published for public comment in March 2014 and the120-day comment period ended on 23 July 2014.

3. This paper does not include any staff recommendations. The staff will provide more detailed feedback and provide recommendations to the IASB at its meeting in October.

Structure of this paper

4. This Agenda Paper is set out as follows:
   - (a) Summary of feedback (paragraph 5);
   - (b) Investor outreach (paragraph 6);
   - (c) Overall feedback and key issues raised by respondents to the ED (paragraphs 7 -12);
   - (d) Responses to the proposed Disclosure Initiative amendments (paragraphs 13-52);

(e) Responses to the proposed amendments regarding presentation of items of Other Comprehensive Income arising from equity-accounted investments (paragraphs 53 - 60); and

(f) Transition provisions and effective date (paragraphs 61 - 63).

Summary of feedback

5. As of 1 September 2014, the IASB has received 118 comment letters. Appendix A provides a summary of comment letters received by type of respondent and geographical region. In addition, during the comment period, IASB staff conducted 9 outreach meetings, 6 of which were with investors and/or analysts.

Investor outreach

6. A limited response from investors is common on IASB consultation documents and for this reason additional targeted investor outreach was performed by the staff. A number of these outreach meetings were conducted with investor representative groups. Unless otherwise indicated, feedback received from these outreach activities was consistent with the comments made by other respondents to the ED that have been summarised in this agenda paper.

Overall feedback and key issues raised by respondents to the ED

Disclosure Initiative

7. There was widespread support for the proposals in the ED and for the IASB undertaking this project. Many respondents gave their support within the context of the Disclosure Initiative as a whole. The proposals in the ED were identified as a positive first step towards improving disclosures that could be achieved in a reasonable time. Respondents understood that these improvements could be achieved while other, broader, proposals are being developed.

8. Many respondents supported the proposals in the ED because the proposed amendments emphasised materiality and the exercise of judgement, both of which are seen as important aspects of improving the relevance of disclosures. A few

respondents noted that these amendments were clarifying what was already implicit in IAS 1.

9. A few respondents raised concerns that the proposals in the ED reflect a piecemeal approach to addressing the disclosure problem. Some respondents considered that some or all of the issues addressed by the proposals in the ED would be more appropriately considered within the context of the Disclosure Initiative's longer-term projects, e.g. the Principles of Disclosure and Materiality projects. Many respondents also took the opportunity to provide comments related to other projects in the Disclosure Initiative, eg significant accounting policies.

10. Some respondents suggested drafting changes to the amendments proposed in the ED. These suggestions will be considered during drafting of the final amendments. In addition, many requests were made to clarify some of the terminology used (eg 'present' and disclose').

Presentation of items of Other Comprehensive Income

11. Nearly all respondents supported the proposed amendment related to the presentation of items of Other Comprehensive Income of associates and joint ventures, accounted for using the equity method.

12. More detail about the responses received to the questions in the ED are set-out below.

Question 1: Responses to the proposed Disclosure Initiative amendments

13. Question 1of the ED asked respondents whether they agreed with each of the proposed amendments from the Disclosure Initiative. Consequently, we have grouped the feedback for the purposes of this analysis as follows:

    (a) Materiality and aggregation (paragraphs 14-23);

    (b) Statement of financial position, P&L and OCI: disaggregation (paragraphs 24 -31);

(c) Statement of financial position, P&L and OCI: subtotals (paragraphs 32-38);

(d) Notes structure (paragraphs 39-44);

(e) Disclosure of accounting policies (paragraphs 45-49); and

(f) Other Disclosure Initiative issues raised by respondents (Paragraphs 50-52);

Question 1(a): Materiality and Aggregation

14. The ED proposed to amend paragraphs related to the materiality requirements in IAS 1 to emphasise that:

    (a) an entity shall not aggregate or disaggregate information in a manner that obscures useful information;

    (b) materiality applies to the financial statements as a whole, including the notes to the financial statements; and

    (c) materiality should be applied to specific disclosure requirements in individual Standards.

15. In addition, the ED suggested that an entity should also consider whether information about matters addressed by an IFRS needs to be presented or disclosed to meet needs of users of financial statements, even if that information is not included in the specific disclosure requirements of the IFRS.

Feedback

16. Most respondents who commented on the proposed materiality amendments broadly supported them. Reasons given include views that the clarifications will:

    (a) help to reduce excessive disclosures by reinforcing:

        (i) the importance of judgement in assessing materiality; and

        (ii) the overarching nature of materiality in relation to specific disclosure requirements in individual Standards.

(b) in the case of the proposed guidance on aggregation and disaggregation, discourage entities from obscuring useful information amid an overload of immaterial information;

(c) remind entities to focus on communication rather than merely on compliance; and

(d) encourage entities to provide additional information when it is relevant to an understanding of the financial statements.

17. Some respondents welcomed the IASB's intention to undertake a separate project on materiality as part of the Disclosure Initiative. Some respondents suggested that further guidance and work is needed on this particular topic. These respondents stated that without further guidance, the way in which the concept is currently applied in practice is unlikely to change. In their view, a clearer framework guiding the application of materiality could help reduce disclosure overload.

18. Some respondents suggested that the proposal in paragraph 31 of the ED to disclose information on matters covered by IFRS, but not specifically required, is too broad and may not be operational. For example, it was suggested that such a proposal would lead to difficulty in obtaining agreement between preparers, auditors and regulators about what information should be disclosed. In addition, a few respondents suggested that these proposals are already required by paragraph 17(c) of IAS 1.[1]

19. Some respondents stated that the proposed guidance on materiality in IAS 1 should specifically mention that applying the concept of materiality requires the use judgement.

20. Some respondents suggested that the amendments need a better, more consistent use of terminology, or that there should be a better explanation of what some terminology means. For example, a few respondents questioned the difference between the terminologies ‘material’, ‘useful information’ and ‘relevant’, or the

[1] Paragraph 17(c) provides that a fair presentation requires an entity (amongst other things) ‘to provide additional disclosure when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity’s financial position and financial performance.’

difference between ‘financial statements’ and ‘financial statements, including the notes’, or questioned what ‘needs of users’ means.

21. Some respondents suggested that the terminology in existing Standards may need to be amended to be consistent with the proposals. For example, some respondents suggested that the requirements stated as ‘at a minimum’ in other Standards should be removed.

22. The ED did not propose to prohibit the disclosure of immaterial information, because the IASB considered such a prohibition to not be operational (paragraph BC6 of the ED). Respondents expressed mixed views about prohibiting the disclosure of immaterial information. A few respondents suggested that immaterial information should be prohibited from being disclosed, while others agreed that such a prohibition would not be operational.

23. Other points raised by respondents include:

    (a) the problem of ‘disclosure overload’ is not attributable only to a lack of application of materiality.

    (b) a few respondents suggested that there needs to be more focus on increasing useful, or relevant, information as opposed to removing irrelevant information. On that point, a few investor respondents noted that the problem with disclosures is not overload, but a lack of relevant or useful information in the financial statements.

    (c) the discussion that the concept of materiality includes the notions of collective and individual assessments (included in paragraph BC5 of the ED), which should be made more clear or should be included in the Standard.

    (d) requiring an entity to not aggregate or disaggregate information in a manner that obscures material information (paragraph 30A of the ED) may cause some practical difficulties.

    (e) entities should disclose their materiality assessments or assumptions.

Question 1(b): Disaggregation of line items

Introduction

24. The ED proposed to remove the wording ‘as a minimum’ from paragraph 54 of IAS 1 to address the possible misconception that this wording prevents entities from aggregating the line items specified for the statement of financial position, if those specified line items are not material.

25. The ED also proposed to clarify that the presentation requirements for items in the statement of financial position (paragraph 54 of IAS 1) and in the profit or loss section or the statement of profit or loss (paragraph 82 of IAS 1) may be fulfilled by disaggregating a specified line item. Disaggregation of specified line items is required when it results in information that is relevant to an understanding of the entity’s financial position or performance.

26. The ED also proposed to include an example to highlight that a listed line item can be disaggregated in the statement of financial position, i.e. an example relating to property, plant and equipment.

Feedback

27. Many respondents supported the amendments clarifying that listing of line items in paragraph 54 of IAS 1 does not prevent entities from disaggregating those listed line items. They also supported the amendment to remove the text ‘at a minimum’ from paragraph 54 of IAS 1, which specifies line items to be presented on the statement of financial position. Supporters of the amendments indicated that this deletion removed the misconception that there is a prescriptive list of items and instead encourages more emphasis on line items which provide relevant information.

28. However, a few respondents expressed concern that the wording ‘… an entity shall include line items …’, which is also in paragraph 54 of IAS 1, still suggested a prescribed list of line items. Suggestions made by those with this concern included:

    (a) adding a cross-reference to paragraph 29 of IAS 1 to clarify that entities should apply materiality in deciding which line items should be presented separately;

(b) adding the words 'when material' to paragraphs 54 and 82 to reinforce that materiality must be considered when determining what line items to present on these financial statements; and

(c) including additional guidance on aggregation to encourage entities to aggregate specified line items in the financial statements when they are not material.

29. However, a few respondents questioned whether the proposed additional text in paragraphs 54 and 82 of IAS 1 provided any additional guidance to that already provided in paragraphs 55 and 85 of IAS 1.

30. Some respondents found the example on disaggregation on the items 'property, plant and equipment' into separate lines not to be helpful, because the disaggregation would not enhance the ability of users to understand an entity's financial position. In addition, the example did not provide any criteria for how to disaggregate. For example:

> "It would be more helpful to provide guidance on whether, for example, it would be appropriate to disaggregate a particular class of property, plant and equipment (for example, bearer plants classified as property, plant and equipment following the upcoming amendment to IAS 41 Agriculture) or to disaggregate a line item by measurement basis (for example, property, plant and equipment carried at depreciated cost disaggregated from property, plant and equipment measured at a revalued amount) and on the criteria that would be considered when disaggregating items (for example, whether the significance of an item compared to others in the same line item or other qualitative factors are relevant)." *Deloitte*

31. Additional specific comments included:

(a) a few respondents also requested guidance as to the interaction between subtotals and line items. For example, a few respondents requested clarification on whether the proposed disaggregation guidance requires the disaggregated line items to be accompanied by the resulting subtotal, ie the line items currently specified in paragraphs 54 and 82 of IAS 1.

(b) a few respondents suggested that the ED should discuss whether the inclusion of additional columns would be a permissible disaggregation under the proposals.

(c) a few respondents requested further clarification on the basis, degree and positioning of disaggregated items, for example in the notes or on the face of the financial statements. For example one respondent stated:

> "we are concerned that the wording might imply that a disaggregation made because it "is relevant to an understanding of the entity's financial position" can only be provided in the statement of financial position and not in the notes" *Accounting Standards Board of Canada*

Question 1(c): Subtotals

Introduction

32. The ED proposed additional guidance in IAS 1 to clarify what factors should be considered when presenting additional subtotals in the statement of financial position (proposed paragraph 55A of IAS 1) and in the statement(s) of profit or loss and Other Comprehensive Income (proposed paragraphs 85A and 85B of IAS 1).

Feedback

33. Many respondents supported the new guidance about the presentation of additional subtotals proposed in paragraphs 55A, 85A and 85B. Reasons for their support include views that the paragraphs will:

(a) provide discipline that may help to prevent undue prominence in presentation;

(b) discourage the presentation of 'non-GAAP' measures, including those that might give a more favourable view compared to the information required by IFRS; and

(c) discourage unnecessary changes in presentation that may be motivated by a desire to present an optimistic view of financial performance.

34. Some respondents suggested that the guidance on subtotals should be extended to cover the statement of cash flows. In addition, a few respondents requested that such guidance be extended more generally, for example to subtotals disclosed in the notes.

35. On a similar theme, a few respondents questioned the difference in the proposed guidance applicable to the statement of financial position (paragraph 55A of the ED) and the statement(s) of profit or loss and Other Comprehensive Income (paragraphs 85A-85B of the ED). The proposed guidance relating to the statement of financial position did not include criteria relating to the relative prominence of, or a reconciliation to, other subtotals and totals specified in IAS 1. The IASB did not propose these amendments for subtotals on the statement of financial position because IAS 1 does not specify totals or subtotals for that statement (see paragraph BC 14(c) of the ED). However a few respondents highlighted that some other Standards do require subtotals in the statement of financial position, for example IFRS 14 *Regulatory Deferral Accounts*.

36. Some respondents were concerned about the proposal in paragraph 85B of the ED to reconcile additional subtotals with the subtotals already specified by IAS 1. A few respondents thought that this reconciliation should be allowed to be made in the notes, and not only on the face of the financial statements. It was noted that if a reconciliation was prohibited from being disclosed in the notes, that would be inconsistent with paragraphs 99 and 100 of IAS 1, which require an entity to present an analysis of expenses by their nature or function. Entities are encouraged (not required) to present this analysis in the statement(s) presenting profit or loss and Other Comprehensive Income.

37. Some respondents asked for clarification about the criteria proposed in paragraphs 55A and 85A of the ED. These criteria describe the nature of additional subtotals presented in the statement of financial position (in accordance with paragraph 55 of IAS 1) and the statement(s) presenting profit or loss and Other Comprehensive Income (in accordance with paragraph 85 of IAS 1) respectively. For example:

    (a) a few respondents requested clarification about what was meant by the criteria in 55A(a) and 85A(a) of the ED that a subtotal must be 'made up of items recognised and measured in accordance with IFRS', because all items presented in the statement of financial position and profit or loss statement would comprise of items already recognised and measured in accordance with IFRS;

(b) a few respondents requested clarification about how the criteria for subtotals to be consistent from period to period (paragraphs 55A(c) and 85A(c) of the ED) related to paragraphs 45 and 46 of IAS 1, which deal with consistency of presentation and classification of items; and

(c) also referring to paragraphs 55A(c) and 85A(c) on consistency between periods, a few respondents suggested including explicit guidance on the application of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* in these paragraphs.

38. Paragraph BC15 of the ED noted that the IASB's intention in proposing guidance on subtotals was not to encourage the proliferation of 'non-GAAP' measures. This statement prompted mixed responses. Some respondents were confused about the relationship between the guidance on subtotals and 'non-GAAP' measures. A few respondents interpreted it as allowing for greater flexibility with regard to non-GAAP measures, for example stating that EBITDA and other types of subtotals do comply with paragraph 85 of IAS 1, as long as they are relevant to an understanding of the entity's financial performance. The mix in responses suggests a need for further clarification on this issue.

Question 1(d): Notes structure

Introduction

39. The ED proposed to clarify that entities do have flexibility when determining the order of the notes. The ED proposed amendments that clarify that the 'normal' order of the notes listed in paragraph 114 of IAS 1 is merely one example of how an entity could order its notes. The ED proposed additional examples of ways in which an entity could order its notes (paragraph 113A of the ED). However, the amendments proposed in the ED also highlighted that entities should order their notes in a systematic manner and consider both understandability and comparability when determining that order.

Feedback

40. Many respondents supported the proposals in the ED to clarify that entities have some flexibility in the way they order their notes. These respondents indicated that such flexibility enables entities to emphasise important aspects of their financial position or financial performance. Permitting such flexibility helps entities to 'tell their story'. A few respondents echoed what was stated in BC19 of the ED, that increased use of electronic versions of financial statements means that it is increasingly easy to search for, locate and compare information within the financial statements and between entities.

41. In particular, many respondents welcomed the amendment that allowed entities to group accounting policies together with the related notes to the financial statements. These respondents indicated that placing accounting policies together with disclosures in other notes will help:

(a) reduce the duplication of information in the financial statements;

(b) users in understanding the relationships between the policy and the related disclosure; and

(c) provide a complete picture on a specific disclosure topic with related explanations on application and relevant balances disclosed together.

42. However, a few respondents did not agree with removing the word 'normal' from paragraph 114 of IAS 1, because it would remove what they perceived to be a default order of the notes. In particular, feedback received from investors was mixed, with some investors indicating a preference for a default or more standardised order of the notes. These respondents noted that they were accustomed to the current order of notes and found the consistency in ordering helpful in:

(a) searching and finding information in financial statements; and

(b) comparing the financial statements of different entities.

43. Other feedback on the proposed amendments regarding the order of the notes included the following:

(a) Some respondents asked us to provide greater clarity on the trade-off between understandability and comparability. For example, allowing more flexibility in the overall ordering of the notes could increase understandability of the financial statements but reduce comparability between entities. The clarification should indicate whether understandability takes precedence over comparability in the event of a conflict or vice versa.

(b) A few respondents thought that permitting an entity to give prominence to disclosures that it views as being more relevant to an understanding conflicts with the concept of neutrality, which is a part of the fundamental qualitative characteristic of faithful representation.

(c) A few respondents doubted whether the argument stated in BC19 on electronic versions of financial statements being increasingly used holds true in the practical world. They also had doubts about the precision of the existing search tools.

(d) A few respondents who supported the disclosure of accounting policies in a single note pointed out the importance of making cross-references between the accounting policies and the other related notes. They argued that this could have the same effect as splitting the accounting policies note and grouping disclosure about those policies between related notes.

(e) A few respondents emphasised that the way in which an entity orders its notes should remain consistent and only change to reflect a change in the nature or significance of its operations. A few respondents suggested adding guidance about the criteria to be considered when an entity is deciding whether it should change the order of its notes.

(f) A few respondents were concerned that the word ‘alternatively’ within paragraph 114 of the ED, which describes one way in which an entity may determine an order for its notes, implies that it and the other example described in the preceding paragraph are the only two methods by which an entity can order its notes.

(g) One respondent requested clarification on whether a systematic order for the notes would preclude presentation of certain notes prior to the primary financial statements. For example, could an entity present disclosures about its operating segments before the statement of profit or loss and Other Comprehensive Income?

(h) Another respondent suggested that IFRS should require the presentation of a table of contents or an index immediately before the notes, to give an overview and means of quick access to notes considered most important.

44. The ED had not proposed additional guidance on cross-referencing of information but had proposed moving existing guidance (currently in paragraph 113 of IAS 1) to a proposed new paragraph 115. This prompted a few respondents to suggest replacing the requirement to cross-reference from the primary financial statements to any *related* information in the notes to any *relevant* information in the notes. In their view, the reference to related information was too broad and may lead to excessive or circular cross-referencing because it may be interpreted to mean items that are beyond the scope financial reporting. There were also requests for further guidance on cross-referencing to information that is provided outside of the financial statements.

Question 1(e): Disclosure of Accounting Policies

Introduction

45. The ED proposed to delete paragraph 120 of IAS 1, which contains potentially unhelpful examples of accounting policy disclosures. The examples relate to income taxes and foreign currency. The ED proposed to delete these examples of accounting policies because it was not clear what made them significant. It was noted in the ED that the IASB would undertake additional work on significant accounting policies as part of the Materiality project in the Disclosure Initiative.

Feedback

46. Most respondents who commented agreed with the proposal to delete paragraph 120 of IAS 1. There was agreement that the paragraph did not include helpful guidance and therefore did not contribute to an understanding of when disclosure of a significant accounting policy would be required.

47. Few respondents disagreed with the proposals. One respondent noted that in their jurisdiction, disclosure of the income taxes accounting policy is important.

48. Many respondents supported the IASB undertaking a project to clarify what a significant accounting policy is. On this point, some respondents provided suggestions on what characterised a significant accounting policy; for example that it:

    (a) is entity-specific;

    (b) is important to the business;

    (c) relates to transactions or balances that are not covered by IFRS and therefore management has used its judgement to develop and apply the accounting policy;

    (d) relates to situations in which IFRS contains more than one appropriate method (i.e. an option); or

    (e) has changed from prior periods.

49. Other comments on the accounting policy proposals included:

    (a) A few respondents preferred to retain the first sentence of paragraph 120, because it contains useful guidance as to the users' expectations in terms of accounting policy disclosure.

    (b) A few respondents stated that deletion of paragraph 120 may result in more boilerplate disclosures and that guidance needs to be added to paragraph 119 to encourage entity-specific accounting policy disclosures and discourage 'boilerplate' disclosures.

    (c) Some respondents highlighted that the ED proposed to delete the word 'significant' from paragraph 117 of IAS 1. A few suggested that 'significant' should be retained. Some other respondents suggested that there are other paragraphs in IAS 1 that should be amended to be consistent with the removal of the word 'significant', eg paragraph 10 of IAS 1.

Other Disclosure Initiative issues raised by respondents

Terminology

50. The ED proposed to clarify the following terminology in IAS 1 as follows:

    (a) ‘present’— denotes disclosure as a line item on the statement(s) of profit or loss and Other Comprehensive Income, statement of financial position, statement of cash flows and statement of changes in equity; and

    (b) ‘disclose’—to denote disclosure in the notes to the financial statements.

51. Some respondents noted that these clarified terms had not been applied consistently throughout IAS 1 and suggested a review of whether these terms are being applied consistently, and, if they are not, measures should be taken to make them consistent in future.

52. A few respondents believed that these changes are fundamental and hence should not be in the Basis for Conclusions but instead should be in the Standard itself.

Question 2: Presentation of items of Other Comprehensive Income arising from equity-accounted investments

Introduction

53. Prior to the June 2011 amendments, the share of Other Comprehensive Income of associates and joint ventures accounted for using the equity method had been excluded from the scope of the requirement to separate items in Other Comprehensive Income on the basis of whether or not the items are to be reclassified (recycled) to profit or loss.

54. The IASB agreed that paragraph 82A of IAS 1 allowed for diverse interpretations, and agreed that amendments should be proposed to clarify that the share in Other Comprehensive Income of associates and joint ventures accounted for using the equity method should be presented as two line items: those items that will not be reclassified subsequently to profit or loss and those items that will be reclassified subsequently to profit or loss when specific conditions are met.

Feedback

55. Nearly all respondents agreed with the proposed amendment to IAS 1 Presentation of Financial Statements related to the presentation of items of other comprehensive income of associates and joint ventures accounted for using the equity method. In voicing their support for the amendment, respondents largely agreed with the reasoning provided in the Basis for Conclusions.

56. In particular, many respondents agreed that the requirements for the presentation of items of other comprehensive income of associates and joint ventures accounted for using the equity method should be consistent with those for the presentation of the share of profit or loss for those investments. It was also noted that the proposed amendment is consistent with the balance sheet presentation for investments accounted for using the equity method, in which an entity’s interest in the net assets of an investee is presented in a single line item.

57. A few respondents thought that the amendment would enhance transparency and stated it was appropriate to separate items of other comprehensive income of the reporting entity from those of the reporting entity’s associates and joint ventures accounted for using the equity method. One respondent thought that presenting the items of other comprehensive income of the group separately from those items of associates and joint ventures was helpful to understand the difference of the results of the group compared to the results of equity accounted investments. One respondent noted that the disclosure requirements in IFRS 12 Disclosure of Interests in Other Entities are extensive, and that requiring disaggregation by nature of items of other comprehensive income of associates and joint ventures accounted for using the equity method would not be of benefit to users of financial statements.

58. A few respondents felt that the requirements for whether items of other comprehensive income of associates and joint ventures accounted for using the equity method should be presented before or after tax were unclear. These respondents noted that the Illustrative examples in IAS 1 presents the share of other comprehensive income of associates net of tax, and that this is explicitly mentioned in the footnote to those line items. However, they think that this is not

reflected in the body of the Standard—specifically, not in IAS 1 paragraphs 82A, 90 or 91—and suggest including it for clarity.

59. A few respondents asked that the Guidance on implementing IAS 1 be expanded to show an item of other comprehensive income for equity accounted investments that may be reclassified subsequently to profit or loss. As currently drafted in the Exposure Draft, such a line item exists for those items that will not be reclassified to profit or loss, and that line item is footnoted to clarify in more detail the requirements of paragraph 82A.

60. There were additionally some drafting comments. Prominent among these was the suggestion to use the term ‘investee’ rather than ‘associates and joint ventures’, because this would align with the language in IFRS 10 and IAS 28.

Question 3: Transition provisions and effective date.

Introduction

61. The proposals of the ED are intended to clarify existing requirements in IAS 1and provide additional guidance to assist entities to apply judgement when meeting the presentation and disclosure requirements in IFRS. This would not result in the reassessment of the judgements about presentation and disclosure made in periods prior to the application of these amendments and hence additional transition provisions were not considered beneficial. However, the ED proposed to permit early adoption of the amendments. If an entity applies these amendments for an earlier period, it would be required to disclose that fact.

Feedback

62. Nearly all respondents supported the transition provisions.

63. A few respondents suggested that an explicit requirement for retrospective application should be included in paragraph 139N of IAS 1. This could be done by expanding the guidance to incorporate some of the discussion contained in BC25 of the ED.

Appendix A—Comment letter demographic information

The following is a summary of the 118 comment letters received by 1 September 2014.