The views expressed in this presentation are those of the presenter, not necessarily those of the IASB or IFRS Foundation.

Disclosure initiative
An overview

Background

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

What is the problem?

- Not clear we all agree – many factors contribute, including:
  - Unclear standards
  - Asking for more information
  - Legal & institutional barriers
  - Lack of time and resources
  - Not applying materiality

Disclosure problem
- This has a number of effects, including:
  - Poor communication
  - Boilerplate language
  - Compliance self-certification
  - Missing disclosures
  - Useful information obscured
  - Duplication of disclosures
  - Legal & institutional barriers

World Standard Setters meeting – September 2013

Agenda Paper DIS1

International Financial Reporting Standards

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Disclosure initiative

Next steps

Amendments to IAS 1

- Short-term project
- First paper to IASB in late Q3

Why
- Perception that some language prevents judgement/requires certain presentations

Response
- Propose amendments to IAS 1

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

Materiality

- Short-term project
- Start in second half of 2013

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
Review new disclosure requirements

- **Time**
  - Short-term project
  - On going

- **Why**
  - Responding to comments that the way IFRS disclosure requirements are written contribute to the disclosure problem

- **Response**
  - Look at the way new ED disclosure requirements are worded
  - Work with auditors, regulators and preparers

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

- **Time**
  - Longer-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

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Standards-level review

- **Time**
  - Longer-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

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Draft timeline

<table>
<thead>
<tr>
<th>2013</th>
<th>2014</th>
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</thead>
<tbody>
<tr>
<td>Q3-Q4</td>
<td>Q1</td>
</tr>
<tr>
<td>Amendments to IAS 1</td>
<td>IASB deliberations</td>
</tr>
<tr>
<td>Materiality</td>
<td>Research</td>
</tr>
<tr>
<td>New EDs</td>
<td>IAS 1, 7, 8 and FSP research</td>
</tr>
<tr>
<td>Existing standards</td>
<td>Project plan</td>
</tr>
</tbody>
</table>
• Disclosure project in parallel with Conceptual Framework project. Projects inform each other – some overlap

Question

• Do you think the Disclosure Initiative is focused on the right projects? If not, what projects would you include or exclude? Please incorporate any feedback you may have received from your constituents.