



Press release



16 October 2008

IASB and FASB launch consultation on proposed enhancements to the presentation of financial statements

The International Accounting Standards Board (IASB) and the US Financial Accounting Standards Board (FASB) today published for public comment a discussion paper on financial statement presentation. The discussion paper contains an analysis of the current issues in financial statement presentation and presents the boards' initial thinking on how those issues could be addressed in a possible future format.

International Financial Reporting Standards (IFRSs) and US generally accepted accounting principles (GAAP) provide only limited presentation guidance. In addition, presentation guidelines in US GAAP are dispersed across standards. Moreover, users of financial statements have often expressed dissatisfaction that information is not linked across the different statements and that dissimilar items are in some cases aggregated in one number.

To address these issues the IASB and the FASB propose to introduce cohesiveness and disaggregation as the two main objectives for financial statement presentation. Cohesiveness would ensure that a reader of financial statements can follow the flow of information through the different statements of an entity; disaggregation would ensure that items that respond differently to economic events are shown separately. To achieve these main objectives the boards have developed a principle-based format that is presented in the discussion paper.

The boards seek views from interested parties on both the objectives for the presentation of financial statements and the proposed format.

Introducing the discussion paper, Sir David Tweedie, chairman of the IASB, said:

The credit crisis has highlighted the need for clear presentation of financial information that is often complex. Early staff drafts of the paper that included an option to eliminate the 'net income' line were widely reported. However, the boards have chosen to proceed with proposals that build on established practice. If you have an interest in the future presentation of financial information, now is the time to get involved.

Robert Herz, chairman of the US FASB, commenting on the publication of the discussion paper, said:

Providing investors with the most transparent, consistent financial reporting possible is more critical than ever to the efficiency and soundness of our capital markets. By working together to create one common, high quality global standard for financial statement presentation, the boards are aiming to increase the usefulness of financial reports while enhancing their comparability across international capital markets. Extensive feedback from preparers, auditors, investors, and other users of financial statements is welcome and vitally important.

The discussion paper is open for comment until 14 April 2009.

Preliminary Views on Financial Statement Presentation is available on the 'Open for Comment' section on www.iasb.org from today. Subscribers may also view the document in the eIFRSs Website. Printed copies (ISBN 978-1-905590-76-6) will be sent to Comprehensive subscribers and will be available shortly, at £12 plus shipping, from the IASC Foundation Publications Department. Those wishing to subscribe to our services should visit the online shop at www.iasb.org or contact:

IASC Foundation Publications Department,
30 Cannon Street, London EC4M 6XH, United Kingdom.
Tel: +44 (0)20 7332 2730 Fax +44 (0)20 7332 2749
Email: publications@iasb.org Web: www.iasb.org

Preliminary Views on Financial Statement Presentation is also available at <http://www.fasb.org/draft/index.shtml>. In addition, any individual or organisation may obtain one copy of this discussion paper from the FASB without charge until 14 April 2009 on written request. *Please ask for FASB Product Code No. DP01.* For information on applicable prices for additional copies and copies requested after 14 April 2009, contact:

Order Department
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

END

Press enquiries:

Mark Byatt, Director of Corporate Communications, IASB
telephone: +44 (0)20 7246 6472, email: mbyatt@iasb.org
30 Cannon St, London EC4M 6XH, UK

Neal McGarity, Director of Communications, US FASB
telephone: +1 203 956-5347, e-mail: nemcgarity@f-a-f.org
401 Merritt 7, PO Box 5116, Norwalk, Connecticut, 06856-5116, USA

Christine Klimek, Communications Manager, US FASB
telephone: +1 203 956-3459, e-mail: clklimek@f-a-f.org
401 Merritt 7, PO Box 5116, Norwalk, Connecticut, 06856-5116, USA

Technical enquiries:

Kim Petrone, Senior Project Manager, FASB
telephone: +1 203 956-5329, email: krpetrone@fasb.org
401 Merritt 7, PO Box 5116, Norwalk, Connecticut, 06856-5116, USA

Denise Gomez, Project Manager, IASB
telephone: +44 (0)20 7246 6469, email: dgomez@iasb.org
30 Cannon St, London EC4M 6XH, UK

Notes for editors

About the IASB

The IASB was established in 2001 and is the standard-setting body of the International Accounting Standards Committee (IASC) Foundation, an independent private sector, not-for-profit organisation. The IASB is committed to developing, in the public interest, a single set of high quality, global accounting standards that provide high quality transparent and comparable information in general purpose financial statements. In pursuit of this objective the IASB conducts extensive public consultations and seeks the co-operation of international and national bodies around the world. Its 14 members (12 of whom are full-time) are drawn from nine countries and have a variety of professional backgrounds. They are appointed by and accountable to the Trustees of the IASC Foundation, who are required to select the best available combination of technical expertise and diversity of international business and market experience.

About the US Financial Accounting Standards Board

Since 1973, the Financial Accounting Standards Board (FASB) has been the designated organization in the private sector for establishing standards of financial accounting and reporting. Those standards govern the preparation of financial reports and are officially recognized as authoritative by the Securities and Exchange Commission and the American Institute of Certified Public Accountants. Such standards are essential to the efficient functioning of the economy because investors, creditors, auditors, and others rely on credible, transparent, and comparable financial information. For more information about the FASB, visit its website at www.fasb.org.