

PRESS RELEASE

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IASB publishes proposals as part of Disclosure Initiative

The International Accounting Standards Board today published for public comment an Exposure Draft outlining proposed amendments to IAS 1 *Presentation of Financial Statements*.

The proposal results from one of several short-term projects under the IASB's Disclosure Initiative.

Many respondents to the IASB's *Agenda Consultation 2011* asked the IASB to review the disclosure requirements in existing IFRS, to explore ways to improve disclosures. Consequently, in 2013 the IASB started the Disclosure Initiative, a package of several projects aimed at improving the disclosure of financial information.

The Exposure Draft proposes narrow-focus clarifying amendments to IAS 1 to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when preparing their financial statements.

The proposed amendments:

- Clarify the materiality requirements in IAS 1, including an emphasis on the potentially detrimental effect of overwhelming useful information with immaterial information.
- Clarify that specific line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position can be disaggregated.
- Add requirements for how an entity should present subtotals in the statement(s) of profit or loss and other comprehensive income and the statement of financial position.
- Clarify that entities have flexibility as to the order in which they present the notes, but also emphasise that understandability and comparability should be considered by an entity when deciding that order.
- Remove potentially unhelpful guidance in IAS 1 for identifying a significant accounting policy.

Hans Hoogervorst, Chairman of the IASB commented:

“The Disclosure Initiative is focused on ensuring that financial reports are instruments of communication and not simply compliance documents. These proposals form a small part of our efforts to encourage preparers, auditors and regulators away from a ticking-the-box mentality towards disclosures.

These proposals are designed to help change behaviour, by emphasising the importance of understandability, comparability and clarity in presenting financial reports.

We look forward to hearing the views of stakeholders on this important project.”

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About the IASB

The IASB was established in 2001 and is the standard-setting body of the IFRS 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. The IASB has 16 full-time members drawn from 11 countries and a variety of professional backgrounds. Board members are appointed by, and accountable to, the Trustees of the IFRS Foundation, who are required to select the best available combination of technical expertise and diversity of international business and market experience. In their work the Trustees are accountable to a Monitoring Board of public authorities.