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IASB proposes amendments to IFRS Standards to improve accounting policy disclosures

The International Accounting Standards Board (Board) has today published proposed narrow-scope amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgements* to help companies provide useful accounting policy disclosures to users of financial statements.

IAS 1 requires companies to disclose their 'significant' accounting policies. The Board is proposing to replace the reference to 'significant' with a requirement to disclose 'material' accounting policies to clarify the threshold for disclosing information.

The proposals state that information about an accounting policy is material if, when considered together with other information included in a company's financial statements, it can influence financial statement users' decisions about the company.

The Board is also proposing to add guidance to IAS 1 to help companies understand what makes an accounting policy material and to update IFRS Practice Statement 2 by adding further explanations and examples to help companies apply the concept of materiality in making decisions about accounting policy disclosures.

The Board is asking stakeholders to comment on the proposed amendments and is particularly interested in comments on whether the examples proposed for inclusion in the Practice Statement are helpful.

The Exposure Draft *Disclosure of Accounting Policies* is open for comment until 29 November 2019.