



|                 |   |                     |                |
|-----------------|---|---------------------|----------------|
| <b>To:</b>      | <b>Board Members</b>                          | <b>Date:</b>        | 19 August 2014 |
| <b>From:</b>    | <b>Lisa Panetta</b>                           | <b>Agenda Item:</b> | 21.1 (M140)    |
| <b>Subject:</b> | <b>Disclosure Initiative - Project Update</b> | <b>File:</b>        |                |

## Action

Receive an update on recent tentative decisions made by the IASB as part of its Disclosure Initiative Project, and decide whether there are any issues that need to be raised with the IASB on those tentative decisions at this stage.

## Attachment

Agenda paper 21.2 Disclosure Initiative Project Update – July 2014

## Background

The IASB is undertaking a broad-based initiative to explore how disclosures in IFRS financial reporting can be improved. This initiative has been informed by a Discussion Forum on Disclosure in Financial Reporting in conjunction with a survey conducted by IASB staff. A [Feedback Statement](#) on these events was published in May 2013. The Disclosure Initiative is made up of a number of projects, both short-term and medium-term.

### Short-term projects:

- Amendments to IAS 1 *Presentation of Financial Statements*
- Amendments to IAS 7 *Statement of Cash Flows*

### Medium-term projects:

- Materiality
- Research project – Principles of Disclosure in IFRS
- Research project – review of existing Standards

### Other related projects:

- Current/non-current classification of liabilities<sup>1</sup>

---

<sup>1</sup> This project was previously part of the IASB Narrow focus amendments to IAS 1 project, included within the agenda item for the Disclosure Initiative project. This project has now been split into a separate project by the IASB.

On 6 August 2014 the AASB submitted a [comment letter](#) in response to the IASB ED/2014/1 *Disclosure Initiative* (see agenda paper 3.7) that proposed narrow-focus clarifying amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying that Standard.

## **IASB meeting – July 2014**

At the July 2014 IASB meeting the Board discussed the following topics:

- (a) Amendments to IAS 7 *Statement of Cash Flows* short-term project:
  - (i) reconciliation of liabilities related to financing activities; and
  - (ii) disclosure about restrictions on cash and cash equivalents; and
- (b) Amendments to IAS 1 *Presentation of Financial Statements*: Principles of Disclosure – Cross-referencing.

AASB staff analysis of the decisions made by the IASB at the July 2014 meeting is provided in Agenda Paper 21.2.

## Proposed Consultative Group

In addition to the topics noted above, at the July meeting, the IASB considered whether a consultative group should be established to support the Disclosure Initiative.

The IASB tentatively decided not to establish a consultative group for the Disclosure Initiative but rather, decided to consult with a wide range of constituents.

AASB staff support the IASB tentative decision and will continue to monitor the project, including opportunities for the AASB to participate in the IASB's outreach events.