

The Future of Financial Reporting

Hans Hoogervorst
Chairman, International Accounting Standards Board

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IFRS Foundation

- Headquartered in London, UK
- Regional Asia-Oceania office in Tokyo, Japan



International organisation

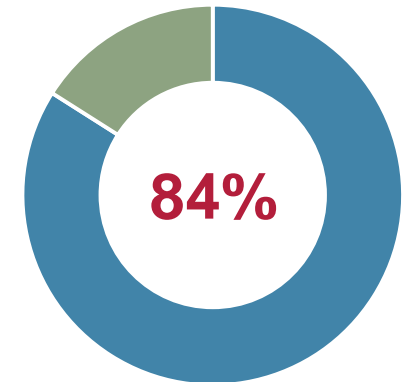


Adoption of IFRS Standards



 = IFRS Standards required

126 of 150 jurisdictions require IFRS Standards for all or most publicly accountable companies



Recent developments

New IFRS Standards

Standard	Big change	Effective date
IFRS 9 <i>Financial Instruments</i>	Expected loss model replaces incurred loss model	2018
IFRS 15 <i>Revenue from Contracts with Customers</i>	Global Standard - IASB and FASB converged	2018
IFRS 16 <i>Leases</i>	All leases onto balance sheet	2019
IFRS 17 <i>Insurance Contracts</i>	Truly international, current measurement	2021

Supporting implementation / application

New
Standards



Transition Resource Groups

Webinars and other supporting materials

Conferences

Existing
Standards



IFRS Interpretations Committee

IFRIC Interpretations

Narrow-scope
amendments

Agenda decisions

Today and the future

Challenges to financial reporting

Gap between book value and market value

Disclosure overload

Big data, artificial intelligence

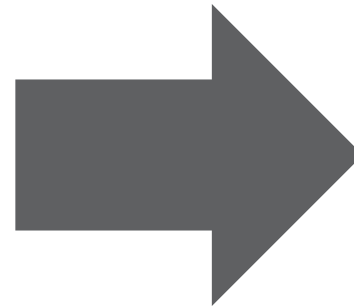
Sustainability reporting

Keep calm and carry on

Financial reporting will remain the main anchor for investors

Big data and artificial intelligence = supplement, not replace

Period of calm needed



Improve what we have

Better Communication in Financial Reporting

Primary
Financial
Statements

Disclosure
Initiative

IFRS
Taxonomy

Content and its organisation

Content
delivery

- Disclosure problem:
 - Not enough relevant information
 - Too much irrelevant information
 - Poor communication



Making Materiality Judgements

'One-stop materiality shop'



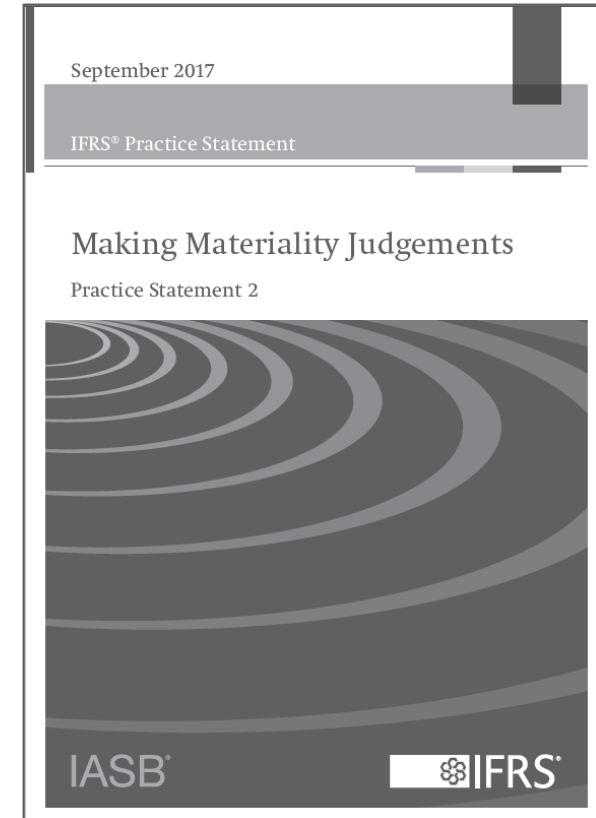
All IFRS materiality requirements

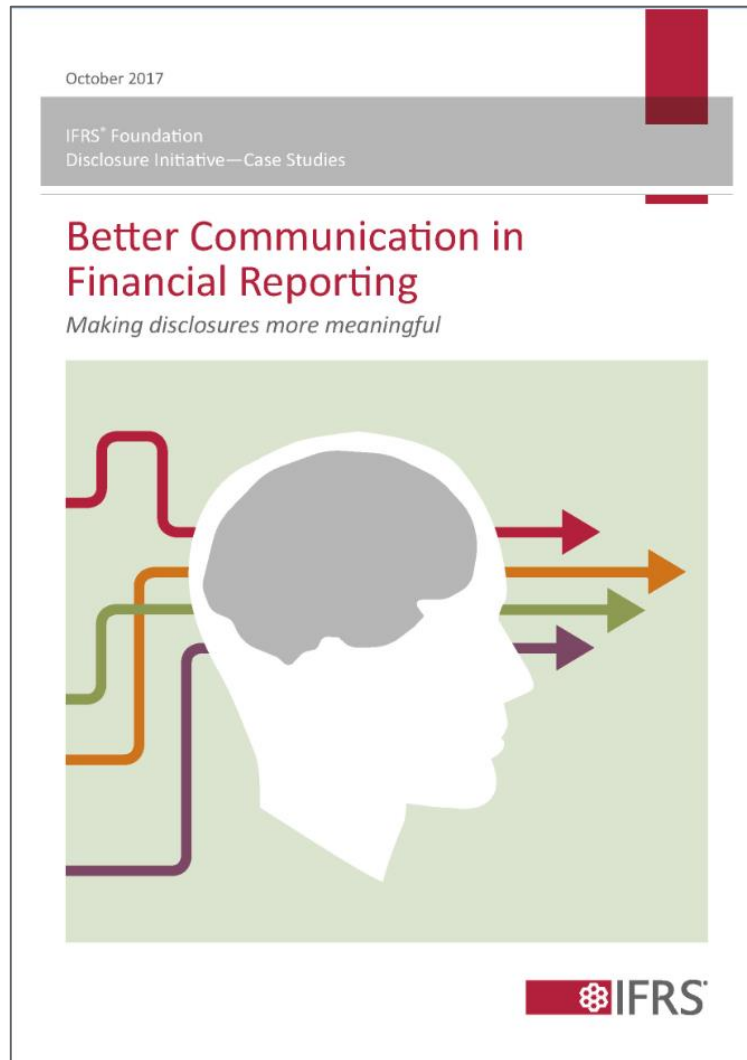


Practical guidance



Examples





- 6 case studies
– Wesfarmers Ltd
- Before and after illustrations
- Show companies' journeys
- Inspire others

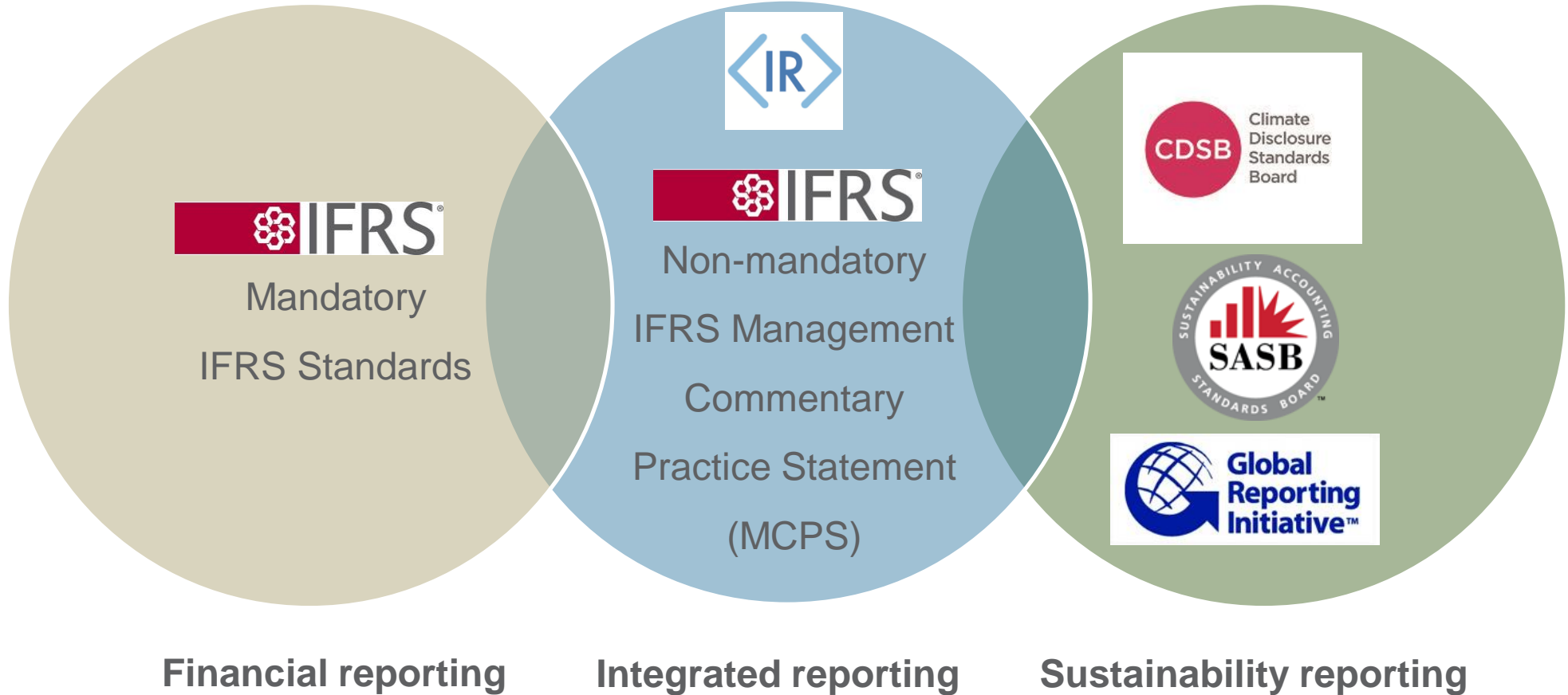
Primary Financial Statements – scope

15

Statement(s) of financial performance	Statement of cash flows	Statement of financial position	Statement of changes in equity
Requiring additional EBIT subtotal	Eliminating options (interest/dividends)	No planned change – except possible development of template for primary financial statements and greater disaggregation	
Providing guidance on presentation of management operation performance and alternative EPS	Aligning the operating section between the statements of cash flows and financial performance		
Better ways to communicate OCI	Requiring a consistent starting point for the reconciliation		

- Developing a template for primary financial statements
- Achieving greater disaggregation

Corporate reporting



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