



International Financial Reporting Standards



Disclosure Initiative

An overview

XBRL Europe, Luxembourg

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The views expressed in this presentation are those of the presenter, not necessarily those of the IASB or IFRS Foundation.



Agenda

- Background
- What is the disclosure problem?
- Next steps
- Interaction with the Conceptual Framework
- Role of XBRL
- Questions

Agenda Consultation 2011

- “A disclosure framework is needed to ensure that information disclosed is more relevant to investors and to reduce the burden on preparers”

Discussion Forum

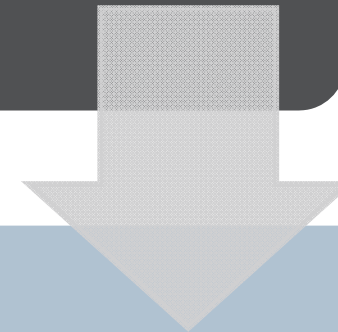
- Obtain views from those in the financial reporting process
- Survey also undertaken

Feedback Statement

- Summarises what we have heard
- Highlights potential next steps for the IASB

February 2012 XBRL Trustees Strategy Review

- “we plan to focus on how an IFRS Taxonomy can help facilitate regulatory filing requirements and help users of IFRS financial statements to consume that information”

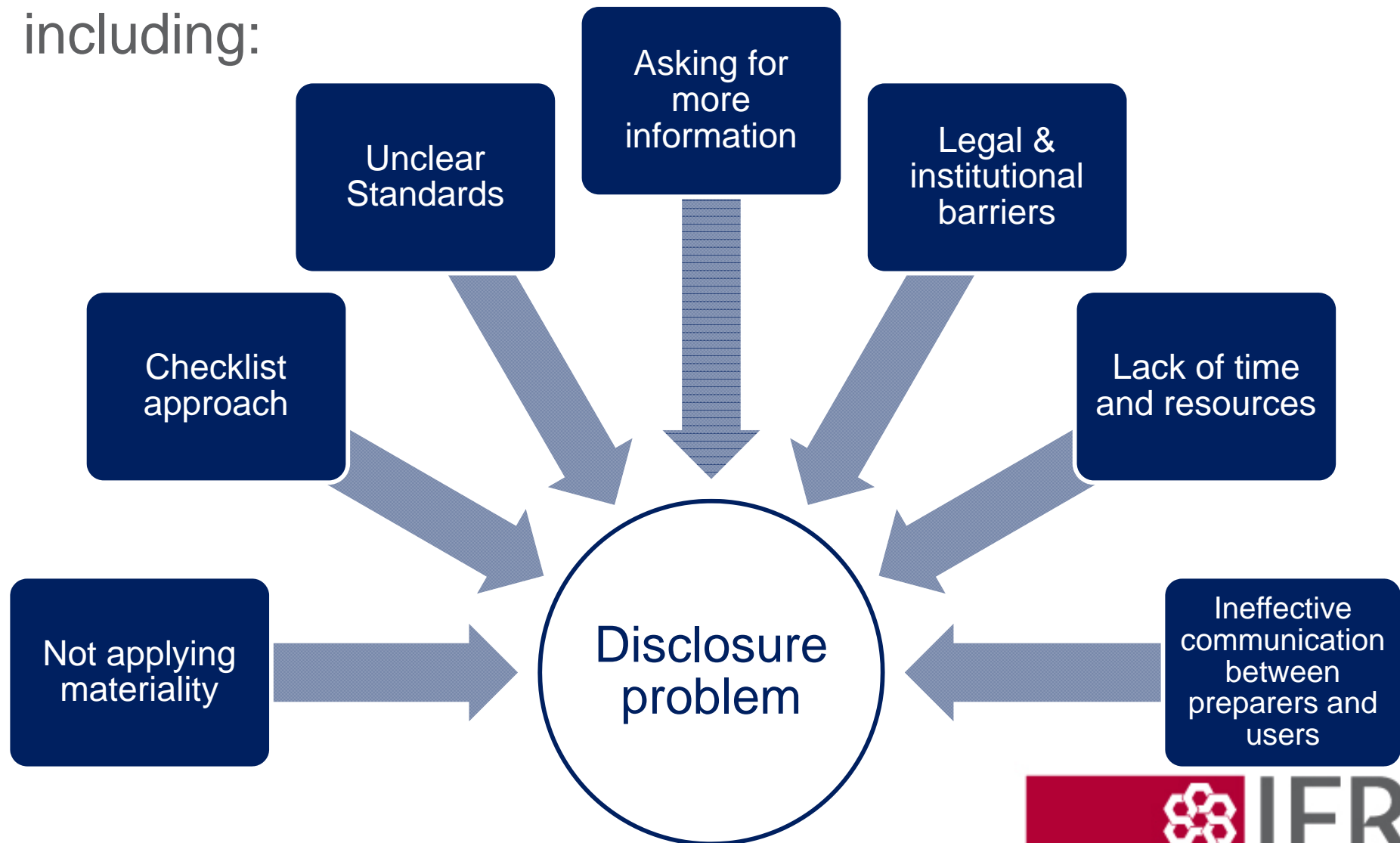


Impacted the organisational structure and work priorities of the IASB XBRL team

- Due Process – further integration of standard-setting and IFRS Taxonomy activities
- Engagement – separating content from the XBRL architecture
- Role of technology – consideration of electronic reporting requirements when setting Standards

What is the disclosure problem?

- Not clear we all agree – many factors contribute, including:



Objective: to explore how disclosure in IFRS financial reporting can be more effective

- In October the IASB created a new staff group to work on its Disclosure Initiative
 - brings together members of the IASB's standard-setting team and the XBRL team
 - IFRS Taxonomy is now considered an extension of the IASB's technical activities
 - reflects an increased focus within the IASB on electronic delivery of information.

<http://www.ifrs.org/Current-Projects/IASB-Projects/Disclosure-Initiative/Pages/Disclosure-Initiative.aspx>

Disclosure Initiative

Ongoing activities

Short-term steps

Medium-term steps

Digital reporting
New EDs

Amendments to IAS 1

Materiality – assessment of existing guidance

Research project – IAS 1, IAS 7, IAS 8 and FSP project

Research project – review of existing Standards

New EDs and digital reporting

Time

- Ongoing

Why

- The way IFRS disclosure requirements are worded can contribute to the disclosure problem
- Increase in importance of electronic delivery of financial information

Response

- Look at the way new ED disclosure requirements are worded
- Integrate IFRS taxonomy development into IASB's work programme

Amendments to IAS 1

Time

- Short-term project
- First paper to IASB in late Q3
- Publish ED Q1 2014

Why

- Perception that some language prevents judgement/requires certain presentations

Response

- Propose amendments to IAS 1

Amendments to IAS 1—what?

- Clarifying that including immaterial information can obscure material information
- Clarifying that the materiality assessment applies to the whole of the financial statements, including the notes
- Clarifying that the concept of materiality applies within each Standard
- Amend language that has been interpreted as prescribing the order of the notes
- Remove the contradictory example (income taxes) from the significant accounting policy disclosure requirements
- Clarify language about disaggregation of line items, totals and subtotals
- Consider whether amendments regarding 'net debt' should be made

Time

- Short-term project
- Start in second half of 2013
- First paper to IASB Q1 2014

Why

- Responding to concern that materiality is not being applied well in practice

Response

- Working with auditors, regulators & others
- Assessing adequacy of existing guidance & propose whether additional guidance is required or not

Time

- Medium-term project
- Start in 2013

What

- Exploratory work on whether the work previously done on the FSP project could form the basis of a research project
- In parallel with the *Conceptual Framework*

Outcome

- Could, in essence, be a disclosure framework for IFRSs
- Agenda Consultation 2015

Time

- Medium-term project
- Over the next two years

What

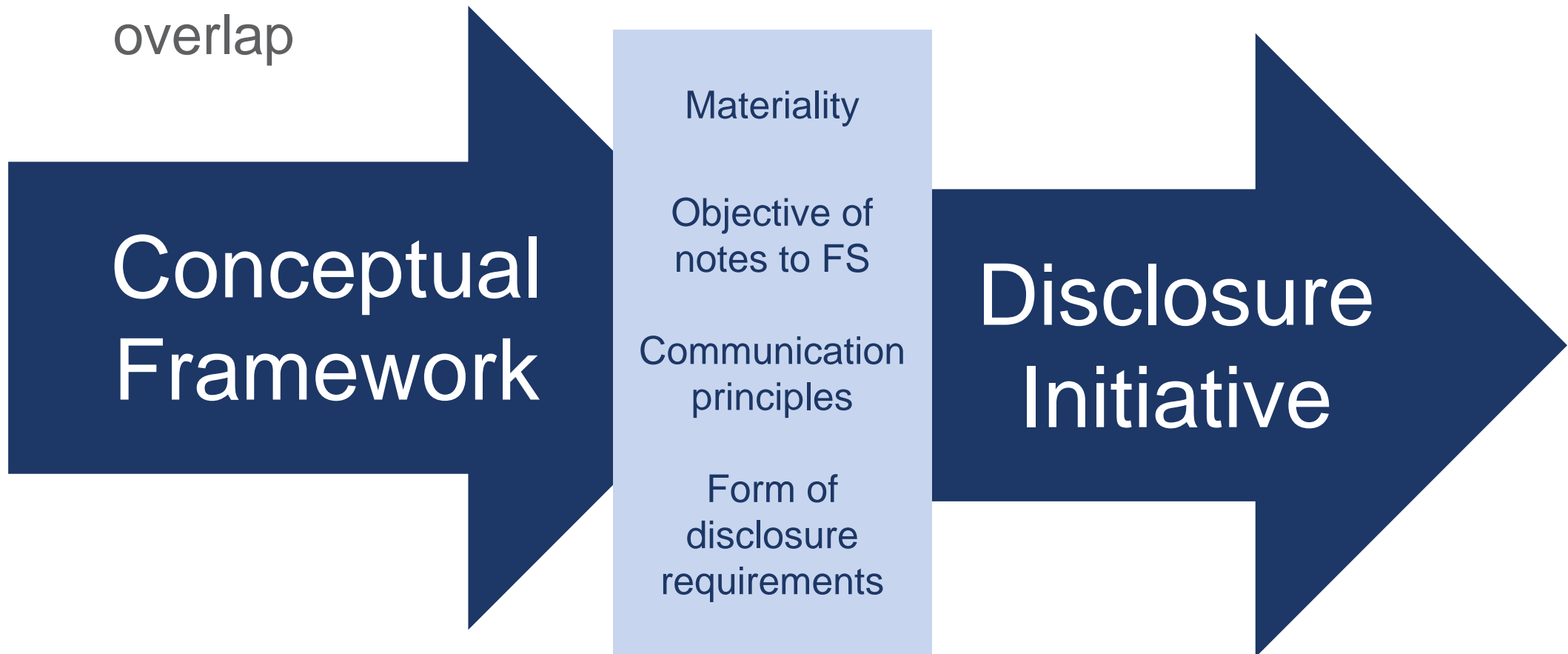
- Research project to review disclosure in IFRS more holistically
- Identify and assess conflicts, duplication and overlaps

Outcome

- Assess whether additional action is required
- Agenda Consultation 2015

Conceptual Framework

- Disclosure project in parallel with Conceptual Framework project. Projects inform each other – some overlap



Extract from the Discussion Paper (July 2013)

Financial statements in an electronic format

- 7.51 Financial statements can be delivered on paper or electronically. The impact of electronic formats relates to the accessibility of information in financial statements rather than to their content. For many users, the ability to access financial information in an electronic format, for example through an entity's website or using **eXtensible Business Reporting Language (XBRL)**, makes consumption of financial information easier.
- 7.52 **In developing presentation and disclosure requirements, the IASB may need to consider the impact of technology and to support advances in its application and wider use.** Possible aspects the IASB may consider include:
- (a) flexibility in the order and level of aggregation of information; and
 - (b) consistent use of terminology, totals and subtotals so that the relationships between different disclosure and presentation items can be precisely identified and therefore faithfully represented in an electronic format.

IFRS Taxonomy

Reporting Syntax

MAINTAIN AND BUILD

- XBRL technical files and supporting materials
- Interaction with XBRL International and XBRL Europe

Content

DEVELOP

- Semantic modelling
- IASB member/staff engagement
- Taxonomy accessibility
- Enable effective electronic communication of IFRS financial statements

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