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## **Disclosure Initiative-Targeted Standards-level Review of Disclosures**

### **Cover Note**

#### **Objective**

- 1 The objective of the session is to provide a project update to EFRAG TEG members on the IASB's project *Disclosure Initiative -Targeted Standards-level Review of Disclosures*.

#### **Background**

- 2 In response to the feedback received on the *Disclosure Initiative - Principles of Disclosure* Discussion Paper, the IASB decided in 2018:
  - (a) To develop guidance for itself to use when developing and drafting disclosure requirements.
  - (b) To test the guidance by applying it to the disclosure requirements in IAS 19 *Employee Benefits* and IFRS 13 *Fair Value Measurement*.
  - (c) To prepare Exposure Drafts (ED) of amendments to the disclosure requirements of the selected Standards. The Basis for Conclusions of the EDs would include a description of the IASB's approach to developing amendments to the disclosure requirements to give stakeholders the opportunity to comment on the guidance for the IASB.
- 3 The objective of applying the guidance to the Standards is to improve their disclosure requirements to help stakeholders **enhance the usefulness of disclosures** provided to the primary users of financial statements. The objective is not to change the volume of disclosure requirements, although this may be a consequence. The IASB discussed the draft Guidance to use when developing and drafting disclosure requirements (the 'draft Guidance') at its May through September 2018 meetings. The approach aims at basing any disclosure requirements on disclosure objectives that explain why the information is useful to the primary users of financial statements, and what is the primary use of this information.
  - (a) Agenda Paper 05-02 provides an overview of the main provisions of the draft Guidance.
  - (b) Agenda papers 05-03 and 05-04 illustrate how the draft guidance is proposed to be applied to the disclosure requirements in IAS 19 and IFRS 13, respectively as well as an analysis of the differences with current requirements.
- 4 Lastly, at its June 2020 meeting, the IASB confirmed that the due process had been completed and granted permission to start the balloting process. The IASB plans to publish its exposure draft in March 2021 with a 180-day comment period.

**Agenda Papers**

- 5 In addition to this cover note, agenda papers for this session are:
- (a) Agenda paper 05-02 – Disclosure Initiative - Draft Guidance for the IASB.
  - (b) Agenda paper 05-03 – Disclosure Initiative-Targeted Standards-level Review of Disclosures – Application to IAS 19.
  - (c) Agenda paper 05-04 – Disclosure Initiative—Targeted Standards-level Review of Disclosures – Application to IFRS 13.