

This paper has been prepared by the EFRAG Secretariat for discussion at a public meeting of EFRAG TEG. The paper forms part of an early stage of the development of a potential EFRAG position. Consequently, the paper does not represent the official views of EFRAG or any individual member of the EFRAG Board or EFRAG TEG. The paper is made available to enable the public to follow the discussions in the meeting. Tentative decisions are made in public and reported in the EFRAG Update. EFRAG positions, as approved by the EFRAG Board, are published as comment letters, discussion or position papers, or in any other form considered appropriate in the circumstances.

Primary Financial Statements Cover Note

Objective

- 1 The objective of this session is to obtain EFRAG TEG views on direction and key messages for EFRAG's Draft Comment Letter on the forthcoming IASB Exposure Draft *Primary Financial Statements*. (the DCL). The discussion is going to focus on agenda paper 06-02.
- 2 To help EFRAG TEG members better understand the proposals that EFRAG secretariat expects to include in the DCL, we are providing, as a background paper, a summary of EFRAG TEG and EFRAG Working Groups discussions on Primary Financial Statements (agenda paper 06-03).
- 3 At this stage, EFRAG Secretariat is focusing on the direction and key messages for EFRAG DCL and do not plan to discuss wording or drafting, but rather the directions regarding what to consider when preparing the DCL. Therefore, for practical reasons, we welcome any remarks on the drafting and wording sent in writing by email.

Introduction

- 4 The *Primary Financial Statements* project is part of the IASB's plan to promote *Better Communication in Financial Reporting*. This project aims to improve the structure and content of the primary financial statements, with a focus on the statement(s) of financial performance.
- 5 The project started in 2016, in response to the feedback received during the IASB's 2015 Agenda Consultation, when many stakeholders identified this project as a priority. The key milestones on this project are:
 - (a) in its September 2018 meeting, the IASB moved the *Primary Financial Statements* project from the research programme to the standard-setting programme
 - (b) in its May 2019 meeting, the IASB decided to issue an Exposure Draft, rather than a discussion paper; and
 - (c) an exposure draft is expected to be published by the end of December 2019 with a comment period of 180 days (i.e. end of June 2020).
- 6 The Agenda Paper 06-04 provides an overview of the IASB's tentative decisions.

Agenda Papers

- 7 In addition to this cover note, agenda papers for this session are:
 - (a) Agenda Paper 06-02 – Direction and key messages for EFRAG DCL;

Primary Financial Statements - Cover Note

- (b) Agenda Paper 06-03 – Summary of EFRAG discussions - background only;
- (c) Agenda Paper 06-04 – Summary of the IASB tentative decisions – for background only; and
- (d) Agenda Paper 06-05 – Overview of project PowerPoint presentation – for background only.