

Conceptual Framework for Financial Reporting

PROPOSED CHANGES TO EFRAG's DOCUMENT FOR PUBLIC CONSULTATION

The following table shows the main changes to the Document for Public Consultation on the IASB Exposure Draft *Conceptual Framework for Financial Reporting* agreed by the EFRAG Board. Minor consequential changes would be made to the Document for Public Consultation.

Comments are due to EFRAG by 18 November 2015.

This document may be updated during the comment period.

The issue of stewardship

In the Document for Public Consultation two possible amendments to the ED were foreseen for making the objective of assessing the management's stewardship as prominent as the objective of serving 'buy, hold or sell decisions'. The preliminary views of EFRAG only support one of these possibilities.

Whether preparers are users

The preliminary views of EFRAG support the IASB proposals that financial reporting is intended to fulfil the needs of external users. The entity's management should accordingly not be considered users of general purpose financial reports. However, EFRAG considers that where preparers tend to converge and oppose to some IASB proposals because, in their view, the outcome would not be a meaningful depiction of the entities' financial position and/or performance, the IASB should, if it would confirm its preliminary decisions, explain how and why meaningful information will be provided.

Issue	EFRAG Document for Public Consultation	Amendments following the deliberation of preliminary views
Stewardship (paragraph 12)	EFRAG notes that one way of responding to its concern could be to identify the assessment of stewardship as an objective in its own right. Another way of dealing with EFRAG's concern could be to eliminate the focus in the definition of the objective of financial reporting on information useful for "decisions involving buying, selling or holding equity and debt instruments, and providing or settling loans and other forms of credit". It should be replaced by a more general objective of providing useful information for different types of users. Useful information would then be described as information needed for both the	EFRAG notes that one way of responding to its concern could be to identify the assessment of stewardship as an objective in its own right. <u>This would involve replacing Another way of dealing with EFRAG's concern could be to eliminate</u> the focus in the definition of the objective of financial reporting on information useful for "decisions involving buying, selling or holding equity and debt instruments, and providing or settling loans and other forms of credit" <u>with</u> It should be replaced by a more general objective of providing <u>decision-</u> useful information for <u>the</u> different types of users <u>identified in the ED. Decision-</u>

