

This paper has been prepared by the EFRAG Secretariat for discussion at a public meeting of EFRAG FR 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 FRB or EFRAG FR 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 FRB, 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 discuss and agree on the content of *EFRAG Summary Report and Recommendations* (agenda paper 05-02 which will be discussed and agreed by the EFRAG FRB in December 2022).

### Background

- 2 In December 2019, the IASB published the [Exposure Draft General Presentation and Disclosures](#) focused on improving how information is communicated in the financial statements, with a focus on information about performance in the statement of profit or loss. The IASB's comment period ended in September 2020. EFRAG send its [comment letter](#) on 2 November 2020 to the IASB.
- 3 Early in 2021, the IASB discussed the feedback received and has since made tentative decisions on key aspects of the proposals in response to the feedback received. Some of these tentative decisions result in changes from the proposals in the ED.
- 4 In September 2022 the IASB launched an outreach on a targeted selection of its tentative decisions through roundtable discussions. The topics selected for outreach are those where the IASB's tentative decisions change the proposals in the ED.
- 5 Also in September 2022, EFRAG FR TEG and EFRAG CFSS members discussed the targeted outreach activities planned by EFRAG and the IASB on a selection of tentative decisions that represent a change to the initial proposals included in the IASB's exposure draft on this project.
- 6 From October to November 2022 EFRAG organised, jointly with the IASB and in coordination with the national standard setters, a number of roundtables.
- 7 The summary reports of each individual roundtable (on 24 October, 2 November, 4 November and 15 November) are going to be uploaded as agenda papers to the meeting and will be published on EFRAG Website. These agenda papers have been uploaded for background information only as participants have already agreed on the content.
- 8 At the time of writing, the following events will still take place:
  - (a) EFRAG Academic Panel on 29 November 2022; and
  - (b) EFRAG CFSS meeting on 30 November 2022.
- 9 The EFRAG Secretariat will provide an oral update to EFRAG FR TEG members on the results of those two meetings.

- 10 Finally, the EFRAG Secretariat has prepared a summary report with recommendations (agenda paper 05-02) that reflects all the feedback received in the roundtables, working groups meetings and other ad hoc meetings.
- (a) Meeting with pharmaceutical companies on 12 October 2022;
  - (b) Meeting with EFASS on 21 October 2022;
  - (c) Meeting with User Panel on 24 October 2022;
  - (d) Roundtable with corporates on 24 October 2022 (summary report);
  - (e) Meeting with FIWG on 25 October 2022;
  - (f) Meeting with ESMA on 31 October 2022;
  - (g) Roundtable with financial institutions on 2 November 2022 (summary report);
  - (h) Meeting with IAWG on 3 November 2022;
  - (i) Roundtable with corporates on 4 November 2022 (summary report);
  - (j) Meeting with RRA working group on 8 November 2022;
  - (k) Meeting organised by ANC on 10 November 2022;
  - (l) Roundtable organised by ASCG on 11 November 2022;
  - (m) Roundtable with preparers, users and auditors on 15 November 2022 (summary report); and
  - (n) ENG Conference – International Financial Reporting & Compliance on 22 November 2022 (Financial Institutions); and
  - (o) Meeting with OIC on 24 November 2022.
- 11 The EFRAG Secretariat would like to discuss the Summary Report and recommendations by topic.

**Questions for EFRAG FR TEG**

- 12 Do EFRAG FR TEG members have any general questions on the process and roundtables?
- 13 Does EFRAG FR TEG agree with the summary report and recommendations on the **operating category**?
- 14 Does EFRAG FR TEG agree with the summary report and recommendations on the **financing category**?
- 15 Does EFRAG FR TEG agree with the summary report and recommendations on **income and expenses from cash and cash equivalents**?
- 16 Does EFRAG FR TEG agree with the summary report and recommendations on **hybrid contracts and derivatives**?
- 17 Does EFRAG FR TEG agree with the summary report and recommendations on the **income and expenses from subsidiaries, associates and joint-ventures, including insurance**?
- 18 Does EFRAG FR TEG agree with the summary report and recommendations on the **analysis of operating expenses – presentation**?
- 19 Does EFRAG FR TEG agree with the summary report and recommendations on the **analysis of operating expenses – disclosures by nature when presenting by function of expense method**?
- 20 Does EFRAG FR TEG agree with the summary report and recommendations on **management performance measures**?

- 21 Does EFRAG FR TEG agree with the summary report and recommendations on **unusual income and expenses**?
- 22 Does EFRAG FR TEG agree with the summary report and recommendations on **other comments**?

### Agenda Papers

- 23 In addition to this cover note, agenda papers for this session are:
- (a) Agenda paper 05-02 – Summary Report and Recommendations
- 24 For background purposes please find attached the summary reports of the roundtable discussions with corporates and with financial institutions, and the summary report of the public webinar:
- (a) Agenda paper 05-03 – Summary Report - Roundtable on 24 October 2022 – for background only
  - (b) Agenda paper 05-04 – Summary Report - Roundtable on 2 November 2022 – for background only
  - (c) Agenda paper 05-04.1 – Slides for discussion: key messages received in advance - for background only
  - (d) Agenda paper 05-05 – Summary Report - Roundtable on 4 November 2022 – for background only
  - (e) Agenda paper 05-06 – Summary Report - Roundtable on 15 November 2022 – for background only
- 25 To remind you to the topics addressed during the targeted Outreach please find the links for the Outreach information:
- (a) Agenda paper 05-07 - IASB Outreach information – Questions - for background only ([here](#))
  - (b) Agenda paper 05-08 – IASB Outreach information – Status of the project - for background only ([here](#))
  - (c) Agenda paper 05-09 – IASB Outreach Information – Appendix - for background only ([here](#))
  - (d) Agenda paper 05-10 – EFRAG Outreach information – for corporates - for background only
  - (e) Agenda paper 05-11 – EFRAG Outreach information – for financial institutions - for background only