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## **Primary Financial Statements Cover Note**

### **Objective**

- 1 The objective of the session is to provide EFRAG TEG members with:
  - (a) an update on the IASB's latest tentative decisions on *Primary Financial Statements* project;
  - (b) a summary of the EFRAG Secretariat updated analysis on the presentation of financial statements based on a sample of European entities that report in accordance with IFRS Standards; and
  - (c) EFRAG Secretariat assessment of how the IASB tentative decisions will impact current practice on presentation of financial statements.

### **Introduction**

- 2 In its *Primary Financial Statements project*, the IASB is considering possible changes to the structure and content of the primary financial statements, particularly the statement of financial performance. This project is a part of the IASB's response to investors' demand for the IASB to undertake a project on performance reporting and is part of the IASB's Better Communication in Financial Reporting initiative.
- 3 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).
- 4 The EFRAG Secretariat has provided updates to EFRAG TEG on several occasions. In April 2019 the IASB Staff provided EFRAG TEG with an overview of the IASB's proposals on this project. In July 2019, EFRAG TEG received an update on the IASB's discussions in May 2019 and discussed how the IASB could structure the new requirements and topics of interest for future outreach events.
- 5 From June to September 2019, the IASB discussed a number of topics which have been included in agenda paper 11-02.
- 6 In addition, the EFRAG Secretariat analysed the financial statements of 40 European listed companies included in the S&P Europe 350 Index and STOXX 600 in order to understand current practice on presentation and how the IASB's tentative decisions will impact current practice (agenda paper 11-03). This follows EFRAG Secretariat analysis done in the past:
  - (a) In January 2017, we presented a full analysis of the financial statements of corporate related to FY2015 ([Agenda Paper January 2017](#));
  - (b) In March 2018, we presented a limited scope analysis on additional items ([Agenda Paper March 2018](#));

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- (c) In April 2018 we presented an analysis of the financial statements on financial institutions related to FY 2017 ([Agenda Paper April 2018](#)).

**Agenda Papers**

- 7 In addition to this cover note, agenda papers for this session are:
  - (a) Agenda paper 11-02 - Update on Primary Financial Statements; and
  - (b) Agenda paper 11-03 – EFRAG research analysis.