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Primary Financial Statements Cover Note

Objective

- 1 The objective of the session is to provide EFRAG TEG Members an update on EFRAG outreach activities and field-testing.

Background

- 2 The IASB has undertaken this project in response to concerns from investors about the comparability and transparency of companies' performance reporting. In December 2019, the IASB published the Exposure Draft [General Presentation and Disclosure](#) (the ED) where it includes proposals to improve how information is communicated in the financial statements, with a focus on the statement of profit or loss.
- 3 The ultimate objective is to replace IAS 1 *Presentation of Financial Statements* with a new Standard that would comprise new requirements on presentation and disclosures in the financial statements and requirements brought forward from IAS 1 with only limited changes to the wording. It also sets out proposed amendments to other IFRS Standards.
- 4 The IASB expects the proposals in this ED will affect all entities that apply IFRS Standards, including financial institutions. However, the effect of these proposals will vary between entities depending on their current practice.
- 5 On 24 February 2020, EFRAG published its [Draft Comment Letter](#) (EFRAG DCL) with a comment period deadline on 19 June 2020 (subsequently extended until 28 September 2020)

EFRAG Outreach activities

EFRAG Outreach activities by June 2020

- 6 In July 2020, EFRAG TEG received an update on EFRAG outreach activities (click [here](#) for July agenda papers). In particular, the EFRAG Secretariat that EFRAG had organised and participated in the following outreach events:
 - (a) *Input on the IASBs Exposure Draft General Presentation and Disclosures:* Online joint outreach event hosted by EFRAG, FSR – Danish Auditors, the Confederation of Danish Industry (DI) and the IASB (14 May 2020). **For the feedback statement, please click [here](#).**
 - (b) *Time for a facelift? A new look for the income statement (Presentation):* Online users joint outreach event hosted by EFRAG, EFFAS, BVFA/ABAF and the IASB (19 May 2020). **For the feedback statement, please click [here](#).**

- (c) *Time for a facelift? A new look for the income statement (Disclosures):*
Online users joint outreach event hosted by EFRAG, EFFAS, BVFA/ABAF and the IASB (26 May 2020). **For the feedback statement, please click [here](#).**
 - (d) *Changing the Income Statement – Norwegian perspectives:*
Online joint outreach event hosted by EFRAG, NASB, the NFF and the IASB (17 June 2020). **For the feedback statement, please click [here](#).**
- 7 In addition to the webinars, the EFRAG Secretariat participated in closed discussions of working group meetings of different organisations such as:
- (a) the European Securities and Markets Authority (ESMA),
 - (b) The Corporate Reporting Users' Forum (CRUF),
 - (c) Accountancy Europe (AE),
 - (d) European Federation of Accountants and Auditors for SMEs (EFAAS),
 - (e) European Federation of Financial Analysts Societies (EFFAS),
 - (f) UK FRC, and
 - (g) French Standard Setter (ANC).
- 8 Finally, the EFRAG Secretariat discussed this project with the EFRAG Insurance Accounting Working Group (IAWG), the EFRAG Financial Instruments Working Group (FIWG) and EFRAG User Panel.
- 9 In the TEG July meeting the EFRAG Secretariat presented a summary of the key messages obtained in the above events and meetings.

EFRAG Outreach activities from 30 June until 1 September 2020

- 10 From 30 June 2020, EFRAG participated or organised the following outreach activities:
- (a) **Field-Test Workshop on 7 July** with preparers of financial statements – corporates (agenda paper 05-02)
 - (b) **Field-test workshop on 7 July** with preparers of financial statements – Financial Institutions (agenda paper 05-02)
 - (c) **Field-test workshop on 24 August** with preparers of financial statements – Financial Institutions and Corporates (agenda paper 05-02)
 - (d) **Preparers roundtable on Primary Financial Statements (webinar) on 1 September 2020** (oral update).

Upcoming EFRAG Outreach activities

- 11 In September 2020, the EFRAG Secretariat expects to organise or participate in the following outreach events:
- (a) Outreach event on PFS with Accounting Standards Committee of Germany (ASCG) on 7 September and 11 September 2020 (for more details please click [here](#))
 - (b) Joint outreach event PFS with Dutch Accounting Standards Board (DASB) on 16 September 2020 (for more details please click [here](#))
- 12 In addition to these outreach events, the EFRAG Secretariat expects to participate in closed discussions such as:
- (a) discussions with European pharmaceutical companies;
 - (b) discussions with European financial regulators;

- (c) discussions with users of financial statements from Spain.

Agenda Papers

- 13 In addition to this cover note, agenda papers for this session are:
 - (a) Agenda paper 05-02 – Key messages from field-tests;
 - (b) Agenda paper 05-03 – Summary report – Workshop on 7 July 2020 - Corporates – for background only