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Disclosure Requirements in IFRS Standards – A Pilot Approach

Cover note

Objective

- 1 The objective of this session is to receive feedback of the User Panel on the IASB Exposure Draft (ED) *Disclosure Requirements in IFRS Standards – A Pilot Approach* (the ED) proposing a new approach for the IASB develop disclosure requirements and testing it on IAS 19 and IFRS 13 to allow EFRAG to recommend a draft comment letter to EFRAG Board and to present the project plan for outreach.

Background

- 2 The IASB inquired and consulted on the usefulness of Disclosure Requirements. The March 2017 Principles of Disclosure Discussion Paper of the IASB identified three main concerns about information disclosed in general purpose financial statements (collectively termed the 'disclosure problem'). These concerns are:
 - (a) not enough relevant information;
 - (b) too much irrelevant information; and
 - (c) ineffective communication of information.
- 3 The feedback on the Discussion Paper suggests that the way the IASB drafts IFRS Standards contributes to the disclosure problem. On 21 March 2018, the IASB added a targeted Standards-level review project to its agenda in response to that feedback.
- 4 The objective of the project is to improve the way the IASB develops and drafts disclosure sections of IFRS Standards so that applying them provides more useful information to users of financial statements. The objective will not be to change the volume of disclosure requirements, although this may be a consequence.
- 5 At its July 2018 meeting, the IASB selected IAS 19 *Employee Benefits* and IFRS 13 *Fair Value Measurement* as the two IFRS Standards on which to test the new draft Guidance to use when developing and drafting disclosure requirements with a twofold objective:
 - (a) Test and improve the draft Guidance; and
 - (b) Improve the disclosure requirements of selected Standards in order to provide more useful information to primary users of financial statements.
- 6 The [IASB ED](#) has been published on 25 March 2021 together with the [Basis for Conclusion](#).
- 7 The attached [snapshot](#) illustrates the proposed changes.

- 8 The EFRG Secretariat would discuss at the 22 April EFRAS TEG meeting the Draft Comment Letter on the IASB ED *Disclosure Requirements in IFRS Standards – A Pilot Approach*.

Agenda papers

- 9 In addition to this cover note, agenda papers for this session are:
- (a) Agenda paper 08-02 – Issues Paper – Overview on Disclosure Requirements – A Pilot Approach;
 - (b) Agenda paper 08-03 – Issues Paper – Project Plan (Outreach Activities); and
 - (c) Agenda paper 08-04 – Snapshot – Disclosure Requirements in IFRS Standards - A Pilot Approach (IASB paper).