

This paper provides the technical advice from EFRAG TEG to the EFRAG Board, following EFRAG TEG's public discussion. The paper does not represent the official views of EFRAG or any individual member of the EFRAG Board. This paper is made available to enable the public to follow the EFRAG's due process. Tentative decisions are reported in EFRAG Update. EFRAG positions as approved by the EFRAG Board 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 the session is - following an update and discussion at the TEG CFSS meeting - to provide EFRAG Board members a brief update on the IASB's redeliberations on the proposals in the Exposure Draft *General Presentation and Disclosures* and seek general advice on way forward.

Background

- 2 On 17 December 2019, the IASB published the ED [General Presentation and Disclosures](#) where 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. In particular, the IASB proposed:
 - (a) requiring companies to present additional defined subtotals/categories in the statement of profit or loss;
 - (b) strengthening requirements for disaggregating information; and
 - (c) requiring companies to disclose information about management performance measures (MPMs) in the notes.
- 3 In November 2020, EFRAG issued its [Final Comment Letter](#) where it welcomed the ED and the IASB's efforts to improve the structure and content of the primary financial statements. It also supported the IASB's proposals to present an operating, investing and financing category in the statement of profit or loss to improve comparability and reduce diversity in practice. However, EFRAG had reservations over some of the proposals in the ED. Also in November 2020, EFRAG published its [feedback statement](#), which summarised the main comments received by EFRAG and explained how those comments were considered by EFRAG.

Questions for EFRAG Board

- 4 Given the IASB's tentative decisions on the proposals to date, do you have any suggestions in approaching the remaining topics to be redeliberated?
- 5 Some of the IASB tentative decisions could be seen as a fundamental change to the ED and current practice which respondents have not had the opportunity to comment (e.g. changes to the proposed categories and MPMs). Do you think it would be useful to make target consultation by EFRAG or the IASB (e.g., consultation on requiring disclosures by nature when presenting by function) to support a decision to finalise a proposal without the need for re-exposure? Do you think that EFRAG should take the initiative on any outreach activities (to support the endorsement process in the future and avoid the need for re-exposure)? If so, which topics?
- 6 Do EFRAG Board members have any recommendation to EFRAG Secretariat on future activities on this project?

Agenda Papers

- 7 In addition to this cover note, the EFRAG Secretariat has uploaded the agenda paper 06-02 – Update on IASB discussions - Slide presentation.
- 8 Finally, more details on EFRAG's comment letter and the IASB's tentative decisions can be found [here](#).