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Primary Financial Statements Cover Note

Objective

- 1 The objectives of the session are:
 - (a) To present the current status of the Primary Financial Statements project (*section 1 "Status of the project" of the paper 07-02*);
 - (b) To provide an overview of the IASB's redeliberations of proposals for the IASB meetings held from March to December 2023 (*section 2 "Latest developments" of the paper 07-02*);
 - (c) To provide an overview of the EFRAG Secretariat activities performed in 2023 and up to date, outline and receive the feedback on the proposed endorsement activities to be undertaken by the EFRAG Secretariat in Q2-Q3 2024 (*section 3 "EFRAG activities to date and next steps"*); and
 - (d) To provide an overview and discuss the key topics for the endorsement process identified so far (*section 4 "Key topics for the endorsement process"*).

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 sent its [comment letter](#) to the IASB on 2 November 2020.
- 3 During 2021, the IASB discussed the feedback received and made numerous tentative changes on key aspects of the proposals in response to the feedback received.
- 4 In September 2022, the IASB launched an outreach on a targeted selection of its tentative decisions through roundtable discussions on specific topics. In addition, EFRAG sought feedback on supplemental topics where the IASB's tentative decisions would change the proposals in the ED.
- 5 From October to November 2022 EFRAG organised, jointly with the IASB and in coordination with the national standard setters, a series of roundtables. The summary reports of the roundtables on [24 October \(with Corporates\)](#), [2 November \(with Financial Institutions\)](#), [4 November \(with Corporates\)](#) and [15 November](#) (on-line webinar) have been published on EFRAG's Website. In addition, EFRAG UP members discussed the aforementioned IASB tentative decisions at their meetings in October and December 2022.
- 6 Finally, the EFRAG Secretariat prepared a [summary report](#) with recommendations that reflect all the feedback received during the roundtables, working groups meetings and other ad-hoc meetings. In addition, the report includes a number of recommendations to

the IASB based on the feedback received. The report was submitted to the IASB together with a letter in December 2022.

- 7 Based on the feedback received from the aforementioned targeted outreaches, the IASB redefined its redeliberation plan to address some of the concerns raised by stakeholders.
- 8 In 2023 the IASB announced that it concluded its decision-making on the project refining its original proposals in the ED published in 2019 to reflect stakeholder feedback. Therefore, The IASB began the balloting process for the Standard ('IFRS 18') and discussed the sweep issues that arose in the drafting process.
- 9 The issuance of IFRS 18 is expected in April 2024. At the same time, the IASB staff is planning to provide some educational sessions to explain the main impacts arising from IFRS 18.

Questions to EFRAG FRB:

- 10 Does EFRAG FRB agree with the proposed EFRAG preparatory work presented on slides 18 and 19 of the agenda paper 07-02?
- 11 Does EFRAG FRB have any remarks regarding the preliminary assessment of the timing of the endorsement work outlined in the agenda paper 07-02?
- 12 Does EFRAG FRB have any comments on the preliminary selection of topics summarised on the slides 22 to 26 of the agenda paper 07-02?
- 13 Does EFRAG FRB have additional topics to be considered by the EFRAG Secretariat for the endorsement at this point in time as outlined in the agenda paper 07-02?

Next Steps

- 14 Preparation of the educational sessions envisaged in paper 07-02.
- 15 Preparation for the endorsement work.

Agenda Papers

- 16 In addition to this cover note, the agenda paper 07-02 – *PFS - Status of the project and next steps* has been provided for the session.