This Feedback Statement has been compiled by the EFRAG Secretariat to summarise the main comments received by EFRAG from entities participating in the fieldwork activities and enable the public to follow its results. The content of this Feedback Statement does not constitute any form of advice or opinion and does not represent the official views of EFRAG or any individual member of the EFRAG Board or EFRAG TEG.

FIELD TESTING FEEDBACK STATEMENT

Disclosure Requirements in IFRS Standards - A Pilot Approach

EFRAG
European Financial Reporting Advisory Group

This report has been prepared for the convenience of European constituents by the EFRAG Secretariat and has not been subject to review by either the EFRAG Board or the EFRAG Technical Expert Group.

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Overview

EFRAG published a Draft Comment Letter (DCL) on 11 May 2021 on the IASB's ED/2021/3 *Disclosure Requirements in IFRS Standards – A Pilot Approach Proposed amendments to IFRS 13 and IAS 19* (ED), which is open for consultation until 4 January 2022. In its DCL EFRAG supported the objective of the project to improve the relevance of disclosures and to develop a more rigorous methodology for the IASB to define objective-based disclosure requirements.

However, EFRAG noted a number of challenges as the proposed approach introduces a radical change to the way disclosures are being prepared with a higher level of judgement involved. EFRAG considered the application of the proposed approach to the two tested standards but concluded that it was not in a position to express definitive views on the proposed changes and their expected effects, until it conducted appropriate outreach and field testing.

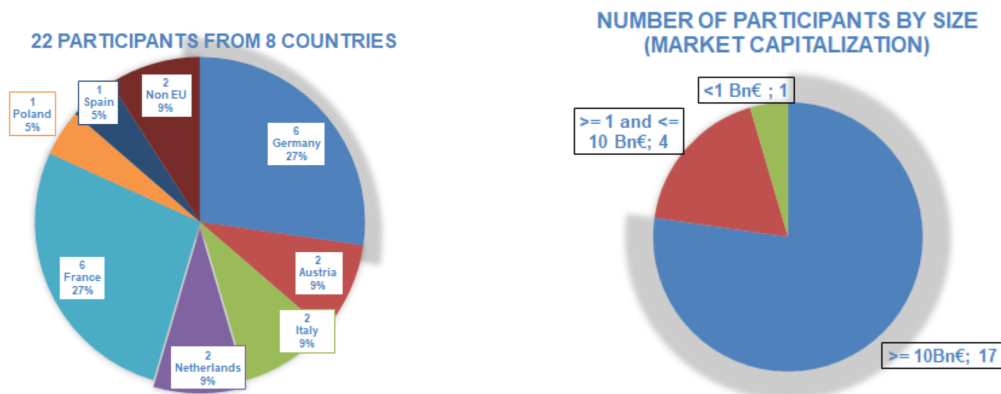
Therefore, EFRAG commended that a comprehensive outreach and field testing of the proposals were undertaken to assess the operational challenges for preparers but also for enforcers and auditors. EFRAG also considered an assessment of whether the proposals would enable companies to apply effective judgement and provide information that is more useful to investors was necessary.

EFRAG, in close coordination with the IASB, has conducted field-testing activities on the ED since May 2021. The purposes of the field testing are to understand the possible impact in practice, identify potential implementation and application concerns, and to determine whether there is a need for additional guidance. Lastly, the purpose also includes to estimate the cost and effort required to implement and apply the proposals on a recurring basis.

Field testing participants were provided with instructions and were asked to conduct one or various of the following activities:

a) Full mock note disclosures on employee benefits (IAS 19) and/or fair value measurement (IFRS 13) by applying the proposals in the Exposure Draft;
b) A questionnaire covering in a simplified way the same topics of the mock disclosures, including questions about the application of specific aspects of the proposals; and
c) A conversation with EFRAG Secretariat/IASB Staff to inquire about their experience applying the proposals in the Exposure Draft, practical issues encountered in preparing the information in the mock disclosures and their ideas for resolving these issues.

Many of the entities participating in the fieldwork performed all the three activities.



Several industries were covered - including eight financial institutions and three real estate companies. Smaller entities applying IFRS were underrepresented in the field test (the entities engaged in the field-testing activities were mainly big corporations). For this group a different approach was developed (survey + interviews with their auditors). A summary of the views coming from smaller entities will be made available as part of the supporting documentation for EFRAG TEG public meeting of the 22 December 2021 (agenda paper 08-04).

EFRAG and the IASB conducted three workshops with 15 out of the 22 participants to discuss the field test result in more detail amongst the participants.

Section A: Workshop participants

INTRODUCTION

This section details the feedback from the 15 participants (of 22 participants) in the field test that discussed their field test results in workshops with other field test participants, EFRAG Secretariat and the IASB Staff. Some EFRAG TEG members and IASB Board members also attended these workshops.

The summarised feedback gathered from participants is grouped to the extent possible to reflect the views of several participants at a time. The following table provides an indication of the range of responses relating to the terms used throughout the summary:

Term Extent of response among participants	
Almost all	90%-100% 14-15 participants
Most	80%-90% 12-13 participants
Majority	50% to 80% 8-11 participants

Many, significant	30% to 50% 5-7 participants
Some, others	20%-30% 3-4 participants
A few	10%-20% 2 participants

Not all participants have provided views on all of the subjects included in this document, so the fact that one group of participants indicates one aspect does not necessarily mean that the rest take the opposite position, although this may be the case in some instances.

The appendix *"Background of the entities participating in the fieldwork"* presents some statistics about the country of the participants, the size of the entity and the IFRS Standard tested can be found. These statistics relate to all entities participating in the fieldwork (22 participants).

The views of entities participating in the workshops (15 participants) represent fairly the average field test participant. Geography, industry and tested standards were well represented among the workshops.

TOPIC 1: EXPERIENCE IN APPLYING THE PROPOSALS IN THE ED

How did participants determine the required information to satisfy disclosure objectives?

When preparing the mock disclosures or assessing potential changes under the new approach, participants analysed the proposed guidance to understand the requirements and identify necessary changes. In doing so, they generally looked at their current disclosures and assessed whether they would meet the proposed overall and specific disclosure objectives.

One entity took a different approach and prepared its IAS 19 mock-up disclosures without taking into consideration their latest IAS 19 disclosures. This fieldwork participant, who prepared disclosures on IAS 19 for the first time in 2020, decided to start from scratch because it considered that their previous disclosures did not form a good basis for comparison.

Entities generally identified limited and targeted changes:

a) Including information that was not previously provided or provided outside the financial statements, or enriching existing information;
b) Removing information not deemed necessary to meet the objectives; and
c) Restructuring the disclosures and reducing information to focus on the relevant information.

A majority of the participants noted that the degree to which the overall topic is material to the entity was a determining factor when considering a possible change. A few participants also noted that the level of adjustments might depend on how the materiality concept is currently applied.

A majority of the participants had no specific dialogue with users to prepare the mock disclosures. The main reason is that they had received very few enquiries from users in the past on their fair value and/or employee benefit disclosures. Thus, the dialogue with users was not generally the determining factor on assessing which information to disclose.

However, one participant pointed out that they had regular discussions with their stakeholder/users to discuss users' information needs. They foresaw to keep holding these sessions in the future.

Despite the lack of user involvement, a majority of participants considered the (few) questions they had received from users in the past when preparing the mock-up disclosures.

Additional information needed to meet the specific disclosure requirements

As outlined in the previous section, participants generally identified limited changes. Some participants noted that either no additional information would be necessary, or the necessary additional information would be easily available internally or through actuaries and external valuers.

In addition, the participant that redesigned its IAS 19 note (see previous section) emphasized that the information needed was readily available and easily obtainable.

However, some participants highlighted that all the non-mandatory items of information listed in the ED would need to be included in their reporting package for subsidiaries and collected, in order to be able to perform the necessary materiality assessment at group level. Thus, even though information might not be disclosed, entities would need to collect it, resulting in extra burden and cost.

One participant also shared the following concerns:

a) Some information like explanation of pension plan curtailments or amendments might be sensitive; and
b) It is difficult to determine the necessary information because of the required judgment.

Dialogue with auditors and regulators

Many entities were unsure how auditors would react to their judgments. They were concerned that additional co-ordination efforts with auditor may be required to resolve differences of opinion regarding the inclusion of suggested information items and the materiality of information (especially close to the publication date). Some of these entities indicated that preparers would need to prove that the items of information included in the ED are immaterial.

Many participants generally noted that a checklist approach would make discussions with auditors easier. Some were also concerned about the additional discussions with regulators, specifically about the application of judgment and about removing immaterial information.

One participant noted that they would not expect more useful conversations with auditors. On the contrary they expected more (controversial) discussions with auditors and regulators.

Some participants expressed the concern that some entities may choose to disclose more things than relevant and necessary (or even all non-mandatory items of information) to be on the safe side and to avoid discussions with auditors and enforcement bodies.

Still, many entities did not anticipate difficulties with the auditors since the information needed would not change significantly from previous years. One of them had already shared their mock-up disclosures with their auditors. One additional entity considered that conversations with auditors could be simpler, as in their view, auditors currently spend time filling the 'to-do list' rather than thinking about what actually needs to be presented.

Cost implications / Changes to systems and processes

Entities generally did not identify fundamental changes to their systems and processes.

Many participants considered that additional co-ordination effort with auditors and enforcers may be needed and could result in extra cost mainly in the first year. This might include comprehensive discussions with auditors and enforcers, prepare supporting documentation for the auditor and additional auditor costs. One of them considered that while the first year there would be higher costs relating to the auditing of the new requirements, this would not be a one-off cost as in later years there would be potentially more discussions with auditors and enforcement bodies.

As indicated above, some participants highlighted that all the non-mandatory examples would need to be included in their reporting package and collected before materiality is assessed at group level. Thus, even though information might not be disclosed, entities would need to collect it, resulting in extra cost. Claims that information is immaterial would need to be substantiated and for that collection of the data is required.

Some participants expected implementation costs to review the new disclosures at the corporate level and to make possible slight changes in systems and processes. They expected these costs to be mainly one off. In fact, one of these entities noted that in the long term they would save time because they would not have to spend hours making sure that they are aligned with every single prescribed item of information.

One participant mentioned the need for improved governance regarding exercising the judgment, validating options and decisions regarding disclosures which will increase costs.

One participant made a split between one-off and ongoing costs. They foresaw those one-off costs would include template preparation, consolidation IT tools and coordination with insurance company, asset managers and trustees while presentation adjustments and additional professional services costs (actuary and asset manager data) would be needed on an ongoing basis.

Conversely, one real estate entity did not expect any increase in costs as the information was already provided by independent valuers.

Clarity of requirements

Overall, the provisions in the ED were generally considered understandable by participants in the field test and they did not raise major questions to EFRAG/IASB staff. In addition, it was understood that entities need to apply judgement to assess how to meet the required objectives.

Many participants indicated that there is a risk that the detailed list of non-mandatory disclosures may be interpreted as a new checklist comprising information that can be omitted only if quantitively immaterial.

Some participants claimed that it would be good if it was clarified in the ED whether comparative information should be included for items of information that were not material in the previous year. However, one participant remarked that it was not worth addressing the issue of comparative information in the new standard as this was a general issue across IFRS Standards.

One participant opined that it is difficult to assess how judgement should be applied objectively due to missing guidance in the ED. Another participant suggested clarifications on how this exposure draft would ultimately affect existing disclosures when already applying the materiality concept. In one participant's view, the weight of the 'legacy disclosures' should not prevent entities from providing more relevant/less irrelevant information as entities should use materiality. In this regard, some entities highlighted that the main issue around the application of materiality was on qualitative matters.

One participant noted that it was not clear in the ED that the entities need to apply materiality on the specific disclosure objectives themselves as they considered that entities would be required to report on all of the objectives regardless of materiality.

One participant noted that a general checklist approach in combination with the materiality concept would not be fundamentally worse than the objective-based approach.

One participant noted that "while not mandatory…" wording could easily be interpreted as "you do not necessarily have to disclose this information, but it is better if you do" (especially if your peers do).

One participant noted that it could be useful to expand proposed disclosure objectives about key messages and information to be provided to users rather than explain, on a high-level view, what users may do with the information.

One participant noted that the proposals should not require disclosure of all the information that would enable users of financial statements to understand something. This could lead to endless discussions with auditors and to additional costs to show that all information had been gathered.

Participants' assessment of the benefits of the new approach

Participants assessed the ED's proposed approach and identified the following **positive aspects**:

Many participants expressed the view that the introduction of disclosure objectives can help understanding the necessity of information items and simplify the standard while enabling entities to better understand and identify information that matters to users. Such objectives would help the standard setter to better assess whether disclosures and which disclosures would be needed in future standards. Disclosure objectives also support the discussion with auditors.

Some participants assessed that the proposed approach allows entities to present the information on specific circumstances or items that users would find useful. This encourages entities to evaluate the importance of disclosed information, give them the opportunity to substantially reorganise it and to adapt the notes annually.

One field test participant considered the new approach to be an opportunity to have a fresh look at existing disclosures and consider improvements (such as a more user-friendly presentation). Preparers could provide more useful disclosures under the new approach if irrelevant information to be omitted were to be identified. This could reduce information clutter.

A few financial institutions emphasised that financial institutions are highly regulated and that some of the reporting requested by the regulators are not material. Therefore, the ED might create the opportunity for the regulator to reassess non-material information requirements.

Some participants thought the proposed approach was preferable to a 'checklist' of required disclosures. These participants said that giving freedom to identify what is material should lead to more objective disclosures.

One participant anticipated that the usefulness of disclosure would increase significantly. They noted that conversation with auditors could be simplified by focussing on what is material rather than a checklist. Whilst acknowledging that the application of judgement takes time, this participant thought the approach would save time because they "wouldn't have to spend hours making sure that we are aligned with every single point".

Conversely, participants identified the following **negative aspects**:

A majority of participants assessed that meeting disclosure objectives would be more subjective than the prescriptive requirements. They noted that it may result in less comparable disclosures. Several of these entities expressed the view that prescribed items of information better guarantee comparable and to a certain extent standardised disclosures across different industries.

A majority of participants pointed out that the proposed approach may require additional discussions with auditors and enforcement bodies when it comes to the exercise of judgement.

Many participants indicated that there is a risk that the detailed list of non-mandatory disclosures may be interpreted as a new checklist, comprising information that can be omitted only if quantitively immaterial.

Some participants also stated that the workload will increase on an ongoing basis as a consequence of the ED proposals as judgment needs to be applied on an ongoing basis.

Many participants noted that an objective-based approach is more difficult to implement than checklist approach as it takes significant judgment to decide what information should be provided and it is sometimes unclear which disclosures are expected by the IASB.

Some participants noted that for digitisation, standardised information is required for tagging, so the proposals about the use of objectives and judgement may have implications for the ESEF taxonomy. Even for block tagging, the level of tagging could be quite detailed in some cases.

Two participants raised the concern that disclosures could become more unpredictable under this approach due to the application of judgement. This would lead to increasing problems with comparatives which might be burdensome for the preparer. It could also be confusing for users.

One participant did not see much value added in terms of the level of information given to users compared to the status quo. They assessed that its current disclosures already provided information needed by users and would meet the proposed objectives. In their view, it was unclear, how the new approach would result in better meeting the needs of users.

One participant expressed the concern that removing prescribed items of information could result in some preparers presenting as little information as possible.

One participant stated that the specified objectives of the proposals can be found already in substance in the existing standard. Rather than overhauling the general approach, a better route might be to amend the relevant paragraphs in the standards.

Way to go forward – alternative view

There were split views on the need of minimum disclosure requirements. A majority of participants favoured a mix of objectives and items of information required (minimum disclosure requirements). Several of them opined that that there was a need for a structure to gather the relevant information before discerning what was material. Nevertheless, some welcomed the objectives as providing more relevant disclosures to users via more descriptive rather than prescriptive disclosure requirements. One said that the detailed list of items of information might not be helpful. Such list could require discussions with the auditor.

A few participants considered that following the proposed approach when developing a new standard would be easier than to redefine the disclosures of an existing one. However, one of them opined that whether using objectives-based approach was appropriate or not would depend on the topic itself, including the extent to which comparability was desired or entity-specific information was needed.

On this matter, another participant suggested that the approach is first applied to new standards. Thereby insights gained from the application in new standards – and a possible new thinking - could help to apply the objective-based approach also on existing standards.

One participant expressed the view that the same position could be reached by putting the objectives into the existing requirements, because these would then be easier to comprehend.

TOPIC 2: PROPOSALS TO IAS 19

General messages from IAS 19 proposal

Participants preparing IAS 19 mock-up disclosures added or removed the following information compared to the information included in their latest financial statements:

a) Added additional disclosures about risks and uncertainties, description of plans and funding arrangements, more detailed information on cash flows and reason for changes etc;
b) Added a cross reference to DTA/DTL for pension obligations;
c) Added disaggregation of the DBO between amounts owed to active members, deferred members and pensioners;
d) Added more specific information on multi-employer plans accounted for as defined contribution plans (ED 147C) etc;
e) Added an executive summary at the beginning of the pension note;
f) Added the average return on plan assets for the last 10 years. Additional description of the investment strategies for the plans such as the use of asset-liability matching strategies. Description of plan-specific investment risks, including significant concentration of risks;
g) Added a description of the policies and processes used by the entity, or the trustees or managers of the plans, to manage the identified risks;
h) Added additional information on cash flows, specifically on the process to make contribution to the pension funds;
i) Removed the sensitivity analysis; and
j) Overhauled the narrative information by reordering of information and deleting/rewriting paragraphs.

Measurement uncertainties associated with DB plan obligations

Some participants decided to continue with the sensitivity analysis even if it would not be mandatory. On sensitivity analysis, one of them noted that this was the most effective way of disclosing measurement uncertainty.

A few entities removed the sensitivity disclosures currently provided and did not provide alternative disclosures beside the disclosures of the significant assumptions used. One of them considered information on cash flows to be more useful as the sensitivity analysis would only reflect on normal simple actuarial mathematics, especially when the analysis does not cover interrelationship of parameters.

Some participants questioned the usefulness of the proposed non-mandatory item of information - *"Alternative actuarial assumptions reasonably possible at the end of the reporting period that could have significantly changed the defined benefit obligation".* These participants did not find it useful and proposed to omit the requirement of alternative reasonable assumptions as the measurement of the pension would be done

by valuation specialists. Such reasonable alternative assumptions would raise questions about the valuation and not add to the usefulness of information.

Defined benefit plans closed to new members

Some participants questioned why this specific disclosure objective was needed. They questioned the usefulness of the information even if the information could give an idea of measurement uncertainty. One of the participants opined that closed plans have less volatile cash flows and would include this provision as a non-mandatory item of information if there was a significant amount of plans that were closed.

Information about the nature of benefits and risks associated with DB plans

One participant did not have a clear understanding about the notion of "nature and extent of risk" in the context of defined benefits plans. The participant highlighted that measurement uncertainty would already be addressed in other parts of the disclosures. The participant proposed that the IASB add an Illustrative Example with regard to the risk disclosure.

Some participants questioned the usefulness of the proposed non-mandatory item of information - *"Expected return on plan assets".* Participants noted that it would be tricky to disclose expected return on plan assets because it would include speculation about future performance. They also note that it would not be useful in isolation.

Executive summary

A few participants stated that the executive summary would be useful. However, one participant had a different opinion as an executive summary would only summarize all upcoming information leading to repetition. In this sense, another participant noted that this summary would not be useful where the defined benefit plans are simple.

Expected future cash flows relating to defined benefit plans

A few entities were in favour of providing some more insights on future cash flows as in general cash flows would be the main information that users focus on.

With regard to the non-mandatory item of information on future contributions to specific plans, one participant noted this is too detailed as plans could be under discussion or reform and such information may prejudice ongoing discussions on the matter.

Other employee benefits

One participant suggested that the IASB add non-mandatory items of information for other long-term employee benefits. In their view, many of the defined benefit plan disclosures could apply to other long-term employee benefits. However, another participant commented that the standard did not need to give examples through specific items of information for the different types and different nature of benefits. In their view, this is an

area of judgement where entities should select which information is useful to disclose and listing items of information would lead to extensive text of minimal usefulness.

On defined contribution plans, one participant suggested including more comprehensive disclosures on this type of plans as well as its legal and regulatory features, especially in jurisdiction where these plans are significant. They also noted that some stakeholders like trade union representatives were usually interested in these disclosures.

TOPIC 3: PROPOSALS TO IFRS 13

General messages from IFRS 13 proposal

Participants preparing IFRS 13 mock-up disclosures added or removed the following information compared to the information included in their latest financial statements:

a) Overhauling the narrative information by reordering of information and deleting/rewriting paragraphs;
b) Providing existing information in a separate table to improve the reading experience;
c) Enriching the information contained in the table showing the reasons for change in carrying value of Level 3 assets (Investment Properties) by adding information about the changes in valuation inputs (variation in yield, variation of estimated rental value…) underpinning the changes in market values;
d) Including the market value of their interests in investment properties held through joint ventures (non-GAAP information) as the participant considered that this information is necessary to satisfy the overall disclosure objective;
e) Assessing that additional disclosure for alternative fair value measurements would be necessary; and
f) One participant noted a potential extension on quantitative level 2 financial instrument disclosures.

Alternative Fair Value Measurements

Almost all participants who prepared mock-up disclosures were still presenting the sensitivity analysis as under the current approach.

A few real estate entities, which recognise their investment property portfolios as level 3 item, considered that the fair value estimated by valuers was the best estimate and that alternative fair values would give room for discussions with management, users, and investors about the valuation. For these entities, the sensitivity exercise only identified possible changes in fair value if some inputs were to change in the future.

A few real estate entities considered the sensitivity analysis to be more useful for the following reasons:

a) Sensitivity analysis is widely used among other real estate companies;
b) The capitalisation rate assumption captures other impacts such as inflation and vacancies. Therefore, another analysis on multiple criteria is unnecessary;
c) Multiple criteria would add complexity and may require explanation of the complete valuation model; and
d) Management would be required to make additional efforts for estimating a range of reasonable parameters.

Another entity also supported the sensitivity analysis. They highlighted that for contingent assets and liabilities arising from a business combination there would be a need for an expert valuation report, and the fair value would be taken from that report. In their view, it was not obvious what useful information would be provided by an alternative fair value.

Reduced reference to the fair value hierarchy

The ED requirements do not refer to particular levels of the fair value hierarchy. According to BC paragraph 73, the IASB expects that entities will exercise materiality judgement and disclose relevant information about fair value measurements that are material and contain subjectivity - even if those fair value measurements are outside level 3.

Entities generally had concerns about such a requirement. Some participants found the requirements in the ED unclear on what to disclose on alternative fair values and fair value measurements other than those categorised within level 3.

One participant shared the view that the requirement on unobservable inputs was not applicable to level 1 and level 2 financial instruments, and it was up to the entities to decide whether they considered them to be relevant or not. Another participant claimed that they had made a different interpretation of the ED. They had considered that the requirements apply to level 2 instruments in addition to level 3.

One participant had interpreted this standard as not requiring above information for level 2 financial instruments. They argued that, if they had to include this, it would be very costly and difficult to achieve. They indicated that almost all level 2 instruments include valuation adjustments[1]. Finally, they noted that if the ED intended to include level 2 instruments, the IASB should clarify it.

Some participants (financial institutions) mentioned that level 3 analysis is highly manual, and there would be many challenges if also required for level 2 given the size of the level 2 population.

Some participants indicated that to provide qualitative information related to movements for level 1 or level 2 instruments, they would have to collect detailed information from subsidiaries before deciding on the appropriate groupings. That would have huge operational issues and it would require a lot of judgment. One of them noted that it would be the same for alternative fair value measurements for level 2 financial instruments.

A few financial institutions mentioned that a wide range of instruments could be in level 2. For those level 2 instruments which could be classified as “grey instruments” which are close to level 3, it could be possible to provide alternative fair values. One of them

[1] A valuation adjustment is an adjustment made to a model valuation with one of the most famous ones being credit and debit valuation adjustments. During the outreach there were different opinions whether these would be observable or not. Other examples may include model adjustments, close out costs and funding valuation adjustments.

suggested that there should be an improvement of the definition of the limits and borders between level 2 and level 3 instruments.

Real-estate entities were relatively unaffected by the ED as they classify their entire Investment Properties portfolios as Level 3.

Section B: Other fieldwork participants

Feedback provided by other fieldwork participants that did not take part in the workshops amongst preparers were generally consistent with the feedback provided in section A of this document. Nevertheless, there are several comments that are worth mentioning:

- When preparing mock-up disclosures one participant reviewed the information disclosed by their peers. They also obtained feedback from certain analysts and, if applicable, incorporated those changes in their mock-up disclosures.

- While there might be differences of opinion between entities and auditors and regulators, one participant considered that such disparity could be enriching for all parties involved.

- The definition of materiality as amended in 2018 and the paragraphs 30A and 31 of IAS 1 could lead to the same outcome as intended by the IASB with the ED. In one participant's view, the disclosure problem is due mainly to incorrect application of the concept of materiality. Similarly, another entity opined that preparers can voluntary review their notes without a new approach on disclosures. Current IFRS standards allow improvement of disclosures in a very similar way to the proposals.

- One entity pointed out that the explanations and clarifications made by the IASB during certain meetings organised jointly by the IASB and EFRAG were very useful. They wondered whether a less disruptive approach could be explored. This could include the development of educational material like practical guidelines or webinars which could explain how similar results could be achieved under the current IFRS framework.

- One entity noted that there could be an impact on costs. Furthermore, it is difficult to measure the impact of changing systems both for the preparation of the information and for its subsequent electronic reporting (especially if the approach were expanded to the rest of IFRS Standards).

- One financial institution expressed the view that a change of mindset must be consistently applied by all stakeholders (regulators, supervisors, auditors and investors). Otherwise, preparers may disclose prescriptive items and prepare a wide range of templates as required by financial regulators to satisfy the ED's disclosure objectives and not omitting irrelevant information due to requests from investors.

- The use of more prescriptive language for specific information could result in irrelevant information being disclosed that could overshadow relevant and useful information for users.

- In the last few years, a huge effort has been undertaken to standardise disclosures to allow digital reporting. The aim of digital reporting is to simplify the collection of information and the comparability over time. The ED takes the opposite direction, especially if there is not a list of minimum disclosure requirements.

- The classification of some items of information as non-mandatory could be perceived by some preparers as a way to exclude such disclosures. In fact, currently, there are some standards that encourage disclosure of non-mandatory information that may be relevant for the users' needs and such information are generally not provided by entities (e.g., par. 79 of IAS 16, par. 128 of IAS 38)

- With regard to the IFRS 13 proposals, paragraph 111 of the ED requires preparers to identify inputs that were reasonably possible at the end of the reporting period. However, inputs reasonable possible for preparers may differ from inputs reasonably possible for investors.

- With regard to the IFRS 13 proposals, it would be useful to explain better what the differences are between the current required sensitivity analysis and the requirement to disclose reasonably possible alternative fair value measurements.

- With regard to the IAS 19 proposals, it would be useful to explain better what the differences are between the current required sensitivity analysis and the requirement to disclose alternative actuarial assumptions reasonably possible at the end of the reporting period.

APPENDIX – Background of the entities participating in the fieldwork

Breakdown by country

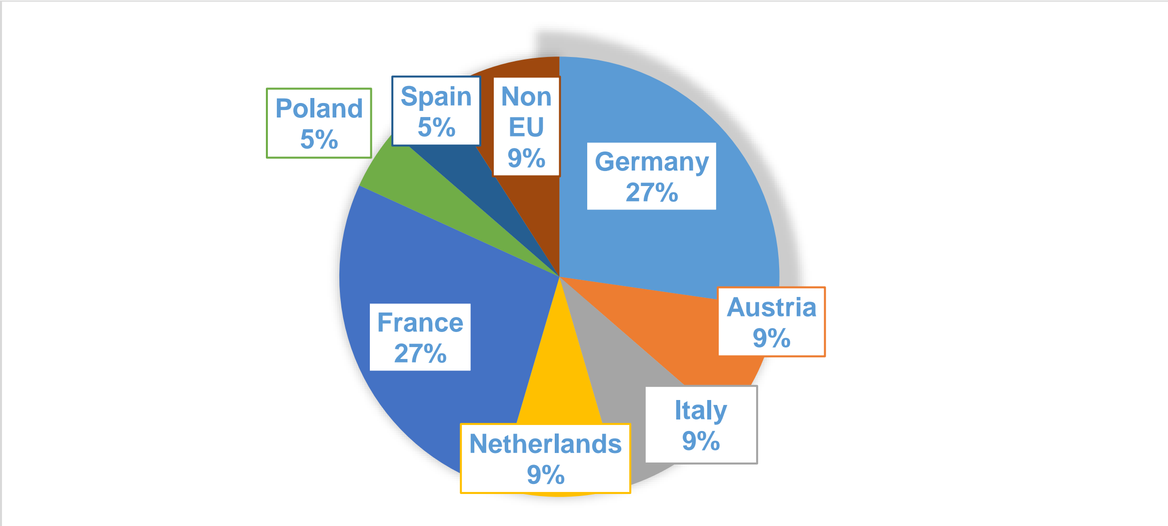


Figure 1: Participants' jurisdiction

Country	Count
Italy	2
Spain	1
Austria	2
France	6
Netherlands	2
Germany	6
Poland	1
Non- EU	2
	22

Breakdown by tested Standard

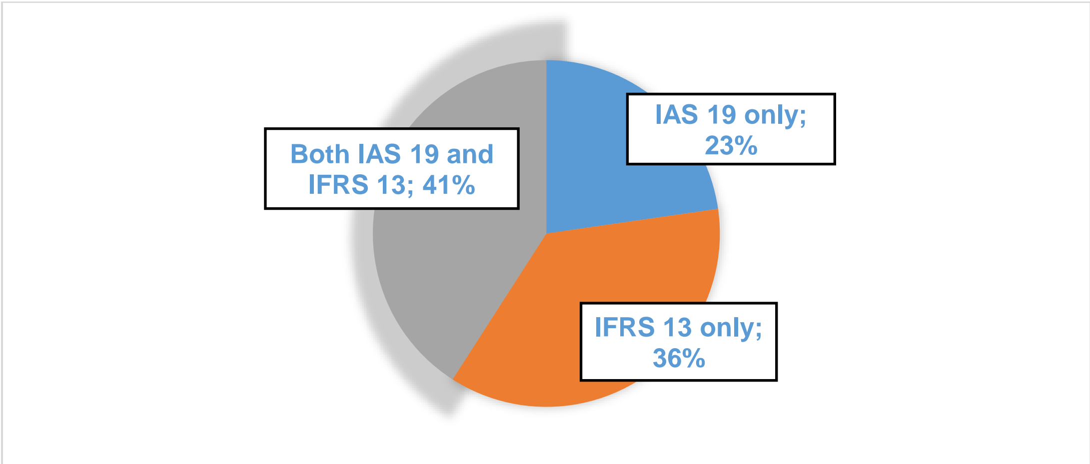


Figure 2: Participants by Standard

Standard	Count
IAS 19	5
IFRS 13	8
Both	9
	22

Breakdown by entity size

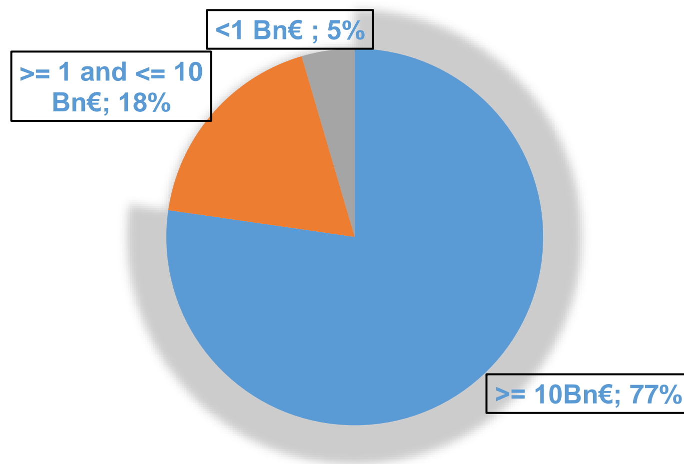


Figure 3: Participants by size (market capitalization)

Size	Count
>= 10 Bn €	17
>= 1 and <+10 Bn €	4
<1 Bn €	1
	22