
Accounting Standards Advisory Forum meeting

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Project	Primary Financial Statements
Topic	Project update
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Purpose of the session

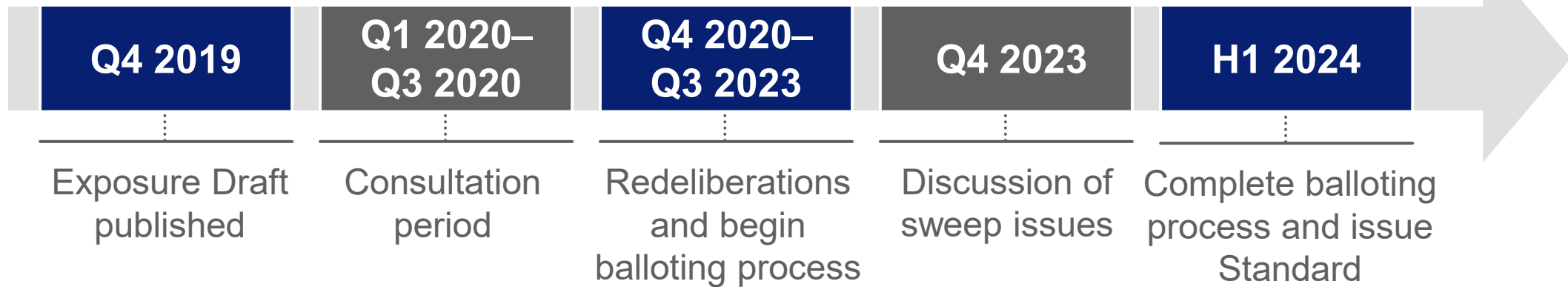
The purpose of this session is:

1. to update ASAF members on the primary financial statements project; and
2. to obtain information from ASAF members on laws and regulations in your jurisdiction that require entities to provide comparative information for more than one comparative period (referred to in these slides as ‘additional comparative information’).

Questions for ASAF members

1. Are there any laws or regulations in your jurisdiction that require entities to provide comparative information for more than one comparative period in their financial statements?
2. Do those laws or regulations permit an entity to provide only one year of comparative information when a new IFRS Accounting Standard is applied?

Project overview



Objective

- Improve communication in financial statements
- Focus on information included in the statement of profit or loss

Main proposals

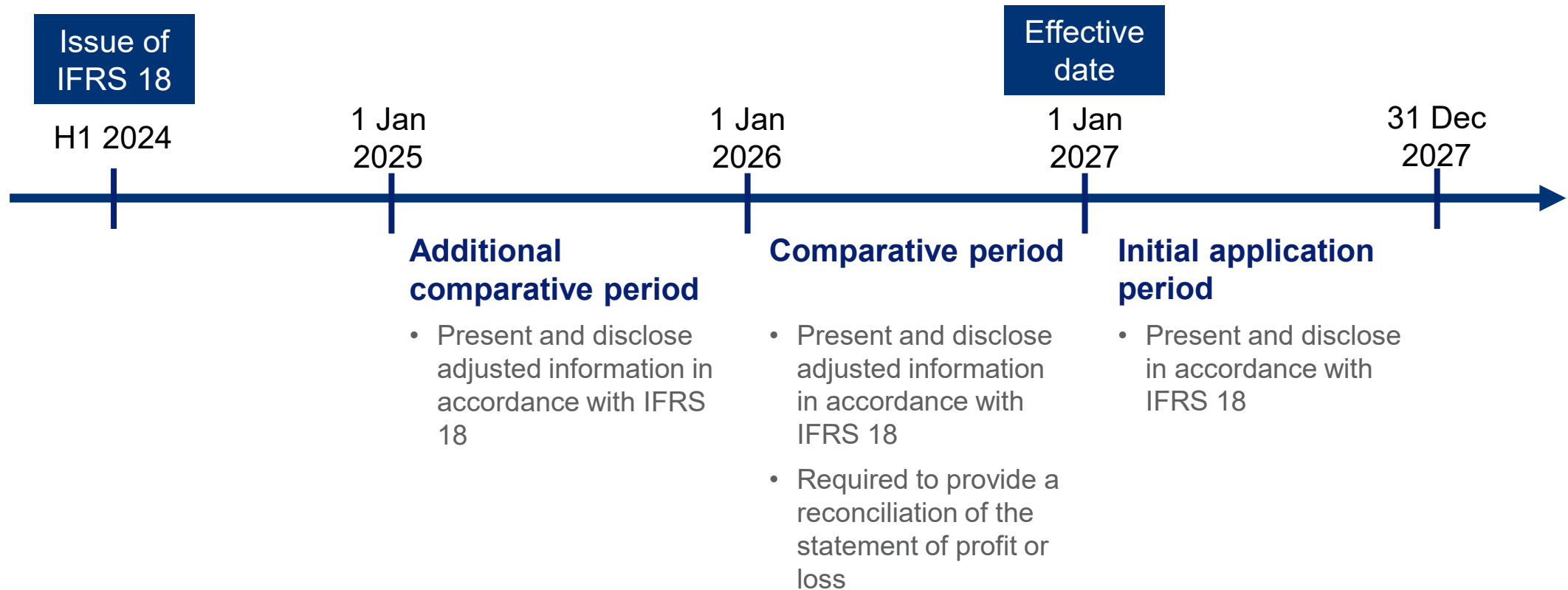
- 1 Require additional **defined subtotals** in statement of profit or loss
- 2 Require disclosures about **management-defined performance measures (MPMs)**
- 3 Strengthen requirements for **disaggregating information**

Additional comparative information

- The IASB tentatively decided to require an entity to apply IFRS 18 for annual periods beginning on or after 1 January 2027 retrospectively in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.
 - Assuming the IASB issues IFRS 18 in the first half of 2024 and an entity presents **one comparative period** in its financial statements as required by IFRS 18, the entity will have more than one year until the beginning of the comparative period. However, entities in jurisdictions that require an entity to present **two comparative periods** would have less than one year until the start of the earliest comparative period.
- We are considering whether transitional relief would be needed for additional comparative information, similar to the transitional relief provided in some other IFRS Accounting Standards, such as IFRS 17 *Insurance Contracts*.
- Relief provided in other IFRS Accounting Standards permits but does not require an entity to present adjusted comparative information and related disclosures for earlier periods than the annual period immediately preceding the date of initial application of the Standard.
- IFRS Accounting Standards that provide transitional relief for additional comparative period(s) also require an entity to:
 - clearly identify any information provided that has not been adjusted; and
 - state that any information that has not been adjusted has been prepared on a different basis and explain that basis.

Example of transition for entities required to present two comparative periods

- Example of transition to IFRS 18 for an entity whose reporting period ends on 31 December that applies IFRS 18 from the effective date and is required by local regulations to present two years of comparative information.



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