

PRESS RELEASE

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For immediate release

IASB outlines steps to improve disclosures in financial statements

The International Accounting Standards Board (the Board) has today published a Discussion Paper that suggests principles to make disclosures in financial statements more effective.

The Discussion Paper *Disclosure Initiative—Principles of Disclosure* seeks public feedback on disclosure issues the Board has identified through outreach as well as its preliminary proposals to resolve these issues. Ultimately, it is expected that the Discussion Paper could lead to amendments to IAS 1, the Standard covering general disclosure requirements, or the development of a new general disclosure Standard.

Stakeholders have said that financial statements sometimes include too little relevant information, too much irrelevant information and information disclosed ineffectively. The Board believes that the development of clear principles governing what, how and where information should be disclosed in the financial statements will improve the information provided to users of financial statements. It will do so by helping companies communicate their disclosures more effectively and by assisting the Board in improving disclosure requirements in IFRS Standards.

Some specific suggestions in the Discussion Paper include:

- seven principles of effective communication, which could be included in a general disclosure standard or described in non-mandatory guidance;
- possible approaches to improve disclosure objectives and requirements in IFRS Standards; and
- principles of fair presentation and disclosure of performance measures and non-IFRS information in financial statements, to ensure that such information is not misleading.

Hans Hoogervorst, Chairman of the International Accounting Standards Board, said:

“Investors and companies have told us that there is room for improvement in the disclosures in the financial statements. Agreeing which principles underpin effective disclosures is a vital step towards encouraging the behavioural changes required to make financial statements better communication tools in the future.”

The Discussion Paper is the latest instalment of the Board's Disclosure Initiative, which was established in 2013 with a ten-point plan to deliver tangible improvements to disclosures in financial reporting. The Principles of Disclosure project complements a number of other projects already taken by the Board, including amendments to IAS 1 *Presentation of Financial Information* and IAS 7 *Statement of Cash Flows*, and the development of guidance to help companies make materiality judgements when preparing their financial statements.

The Disclosure Initiative is an important part of the Board's central theme, Better Communication in Financial Reporting.

The consultation on the Discussion Paper is open for comments until 2 October 2017. The Discussion Paper, *Disclosure Initiative—Principles of Disclosure*, can be accessed [here](#). A Snapshot, providing an overview of the Discussion Paper, can be found [here](#).

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Notes to editors:

- Further information about the Board's work under the theme of Better Communication in Financial Reporting can be found [here](#).
- Information about the Board's Disclosure Initiative can be accessed [here](#).
- The 2013 ten-point plan to improve disclosures was announced in a [speech](#) by Hans Hoogervorst in June 2013.

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About the IFRS Foundation

The IFRS Foundation is an independent, not-for-profit organisation, overseen by a Monitoring Board of public authorities. Its vision of a single set of global accounting standards is supported by G20 leaders and other international organisations with responsibility for the global financial system.

The mission of the IFRS Foundation is to develop IFRS Standards that bring transparency, accountability and efficiency to financial markets around the world, fostering trust, growth and long-term financial stability. The International Accounting Standards Board is the independent standard-setting body of the IFRS Foundation, made up of experts from diverse professional and geographical backgrounds. IFRS Standards are required by 125 countries globally.

For detailed information on the organisation's structure, the standard-setting process and the spread of IFRS Standards, visit www.ifrs.org.

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