

# Comments to Exposure Draft:

Disclosure Requirements in IFRS Standards—A  
Pilot Approach. (Proposed amendments to IFRS  
13 and IAS 19)



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## Comments to Exposure Draft:

### *Disclosure Requirements in IFRS Standards—A Pilot Approach (Proposed amendments to IFRS 13 and IAS 19)*

Question	Proposed	Comments
1	<p><b>Using overall disclosure objectives</b></p> <p>Paragraphs DG5–DG7 of this Exposure Draft explain how the Board proposes to use overall disclosure objectives in future.</p> <p>(a) Do you agree that the Board should use overall disclosure objectives within IFRS Standards in future? Why or why not?</p> <p>(b) Do you agree that overall disclosure objectives would help entities, auditors and regulators determine whether information provided in the notes meets overall user information needs? Why or why not?</p>	<p>Yes, the Board should have the overall disclosure objectives so as to achieve compatibility and compliance in the financial statements which addresses the common requirement of the global stakeholders.</p>
2	<p><b>Using specific disclosure objectives and the disclosure problem</b></p> <p>Paragraphs DG8–DG10 of this Exposure Draft explain how the Board proposes to use specific disclosure objectives in future.</p> <p>(a) Do you agree that specific disclosure objectives, and the explanation of what the information is intended to help users do, would help entities apply judgements effectively when preparing their financial statements to:</p> <p>(i) provide relevant information;</p> <p>(ii) eliminate irrelevant information; and</p> <p>(iii) communicate information more effectively? Why or why not? If not, what alternative approach would you suggest and why?</p> <p>(b) Do you agree that specific disclosure objectives, and the explanation of what the information is intended to help users do, would provide a sufficient</p>	<p>Agree with the suggested questions.</p> <p>Judgments, assumptions and estimates play a vital role in several cases of accounting transactions, valuations etc while preparing &amp; presenting financial statements to the stakeholders and users. Specific disclosure and its explanations shall provide a explainable basis and platform to aid users to assess whether the reporting entity has applied such judgments,</p>

	basis for auditors and regulators to determine whether an entity has applied judgements effectively when preparing their financial statements? Why or why not?	assumptions and estimates in a prudent manner.
3	<p><b>Increased application of judgement</b></p> <p>Paragraphs DG2–DG3 and DG8–DG13 of this Exposure Draft explain why, in future, the Board proposes to:</p> <p>(a) use prescriptive language to require an entity to comply with the disclosure objectives.</p> <p>(b) typically use less prescriptive language when referring to items of information to meet specific disclosure objectives. An entity, therefore, would need to apply judgement to determine the information to disclose in its circumstances.</p> <p>This approach is intended to shift the focus from applying disclosure requirements like a checklist to determining whether disclosure objectives have been satisfied in the entity’s own circumstances. Paragraphs BC188–BC191 of the Basis for Conclusions describe the likely effects of this approach on the behaviour of entities, auditors and regulators towards disclosures in financial statements. Paragraphs BC192–BC212 of the Basis for Conclusions describe the likely effects of this approach on the quality of financial reporting, including the cost consequences of the approach.</p> <p>(a) Do you agree with this approach? Why or why not? If not, what alternative approach do you suggest and why?</p> <p>(b) Do you agree that this approach would be effective in discouraging the use of disclosure requirements in IFRS Standards like a checklist? Why or why not?</p> <p>(c) Do you agree that this approach would be effective in helping to address the disclosure problem? For example, would the approach help entities provide decision-useful information in financial statements? Why or why not?</p>	Agree, this approach brings qualitative aspect in reporting.

	<p>(d) Do you agree that this approach would be operational and enforceable in practice? Why or why not?</p> <p>(e) Do you have any comments on the cost of this approach, both in the first year of application and in subsequent years? Please explain the nature of any expected incremental costs, for example, changes to the systems that entities use to produce disclosures in financial statements, additional resources needed to support the increased application of judgement, additional audit costs, costs for users in analysing information, or changes for electronic reporting.</p>	
4	<p><b>Describing items of information to promote the use of judgement</b></p> <p>The Board proposes to use the following less prescriptive language when identifying items of information: ‘While not mandatory, the following information may enable an entity to meet the disclosure objective’. Paragraph BC19–BC26 of the Basis for Conclusions describe the Board’s reasons for this language and alternative options that the Board considered.</p> <p>Do you agree that the proposed language is worded in a way that makes it clear that entities need to apply judgement to determine how to meet the specific disclosure objective? If not, what alternative language would you suggest and why?</p>	Agree
5	<p><b>Other comments on the proposed Guidance</b></p> <p>Paragraphs BC27–BC56 of the Basis for Conclusions describe other aspects of how the Board proposes to develop disclosure requirements in IFRS Standards in future applying the proposed Guidance. Paragraphs BC188–BC212 of the Basis for Conclusions explain the expected effects of any disclosure requirements developed using the proposed Guidance. Do you have any other comments on these aspects? Please indicate</p>	Agree

	the specific paragraphs or group of paragraphs to which your comments relate (if applicable).	
6	<p><b>Overall disclosure objective for assets and liabilities measured at fair value in the statement of financial position after initial recognition</b></p> <p>Paragraphs BC62–BC73 of the Basis for Conclusions describe the Board’s reasons for proposing the overall disclosure objective for assets and liabilities measured at fair value in the statement of financial position after initial recognition. Do you agree that this proposed objective would result in the provision of useful information that meets the overall user information needs about assets and liabilities measured at fair value in the statement of financial position after initial recognition? If not, what alternative objective do you suggest and why?</p>	Agree
7	<p><b>Specific disclosure objectives for assets and liabilities measured at fair value in the statement of financial position after initial recognition</b></p> <p>Paragraphs BC74–BC97 of the Basis for Conclusions describe the Board’s reasons for proposing the specific disclosure objectives about assets and liabilities measured at fair value in the statement of financial position after initial recognition, and discuss approaches that the Board considered but rejected.</p> <p>(a) Do you agree that the proposed specific disclosure objectives capture detailed user information needs about assets and liabilities measured at fair value in the statement of financial position after initial recognition? Why or why not? If not, what changes do you suggest?</p> <p>(b) Do you agree that the proposed specific disclosure objectives would result in the provision of information about material fair value measurements and the</p>	Agree

	<p>elimination of information about immaterial fair value measurements in financial statements? Why or why not?</p> <p>(c) Do you agree that the benefits of the specific disclosure objectives would justify the costs of satisfying them? Why or why not? If you disagree, how should the objectives be changed so that the benefits justify the costs? Please indicate the specific disclosure objective(s) to which your comments relate.</p> <p>(d) Do you have any other comments on the proposed specific disclosure objectives? Please indicate the specific disclosure objective(s) to which your comments relate.</p>	
8	<p><b>Information to meet the specific disclosure objectives for assets and liabilities measured at fair value in the statement of financial position after initial recognition</b></p> <p>Paragraphs BC74–BC97 of the Basis for Conclusions describe the Board’s reasons for proposing the items of information to meet the specific disclosure objectives about assets and liabilities measured at fair value in the statement of financial position after initial recognition, and discuss information that the Board considered but decided not to include.</p> <p>(a) Do you agree that entities should be required to disclose the proposed items of information in paragraphs 105, 109 and 116 of the [Draft] amendments to IFRS 13? Why or why not? If not, what changes do you suggest and how would they help an entity to meet the specific disclosure objective?</p> <p>(b) Do you agree with the proposed items of information that are not mandatory but may enable entities to meet each specific disclosure objective? Why or why not? If not, what changes do you suggest and how would they help an entity to meet the specific disclosure objective?</p>	Agree

9	<p><b>Specific disclosure objective for assets and liabilities not measured at fair value in the statement of financial position but for which fair value is disclosed in the notes</b></p> <p>Paragraphs BC98–BC99 of the Basis for Conclusions describe the Board’s reasons for proposing the specific disclosure objective for assets and liabilities not measured at fair value in the statement of financial position but for which fair value is disclosed in the notes.</p> <p>(a) Do you agree that the proposed specific disclosure objective captures detailed user information needs about assets and liabilities not measured at fair value in the statement of financial position but for which fair value is disclosed in the notes? Why or why not? If not, what changes do you suggest?</p> <p>(b) Do you agree that this proposed specific disclosure objective would result in the provision of useful information about assets and liabilities not measured at fair value but for which fair value is disclosed in the notes? Why or why not?</p> <p>(c) Do you agree that the benefits of the specific disclosure objective would justify the costs of satisfying it? Why or why not? If you disagree, how should the objective be changed so that the benefits justify the costs?</p> <p>(d) Do you have any other comments about the proposed specific disclosure objective?</p>	Agree
10	<p><b>Information to meet the specific disclosure objective for assets and liabilities not measured at fair value in the statement of financial position but for which fair value is disclosed in the notes</b></p> <p>Paragraph BC100 of the Basis for Conclusions describes the Board’s reasons for proposing the items of information to meet the specific disclosure objective</p>	Agree

	<p>about assets and liabilities not measured at fair value in the statement of financial position but for which fair value is disclosed in the notes.</p> <p>(a) Do you agree that entities should be required to disclose the proposed items of information in paragraph 120 of the [Draft] amendments to IFRS 13? Why or why not? If not, what changes do you suggest and how would they help an entity to meet the specific disclosure objective?</p> <p>(b) Do you agree with the proposed items of information that are not mandatory but may enable entities to meet the specific disclosure objective? Why or why not? If not, what changes do you suggest and how would they help an entity to meet the specific disclosure objective?</p>	
11	<p><b>Other comments on the proposed amendments to IFRS 13</b></p> <p>Do you have any other comments on the proposed amendments to IFRS 13 in this Exposure Draft, including the analysis of the effects (paragraphs BC214–BC215 of the Basis for Conclusions) and the Illustrative Examples accompanying the Exposure Draft?</p>	No other specific comment
12	<p><b>Overall disclosure objective for defined benefit plans</b></p> <p>Paragraphs BC107–BC109 of the Basis for Conclusions describe the Board’s reasons for proposing the overall disclosure objective for defined benefit plans.</p> <p>Do you agree that this proposed objective would result in the provision of useful information that meets the overall user information needs about defined benefit plans? If not, what alternative objective do you suggest and why?</p>	Agree
13	<p><b>Specific disclosure objectives for defined benefit plans</b></p>	Agree



	<p>Paragraphs BC110–BC145 of the Basis for Conclusions describe the Board’s reasons for proposing the specific disclosure objectives about defined benefit plans, and discuss approaches that the Board considered but rejected.</p> <p>(a) Do you agree that the proposed specific disclosure objectives capture detailed user information needs about defined benefit plans? Why or why not? If not, what changes do you suggest?</p> <p>(b) Do you agree that the proposed specific disclosure objectives would result in the provision of relevant information and the elimination of irrelevant information about defined benefit plans in financial statements? Why or why not?</p> <p>(c) Do you agree that the benefits of the specific disclosure objectives would justify the costs of satisfying them? Why or why not? If you disagree, how should the objectives be changed so that the benefits justify the costs? Please indicate the specific disclosure objective(s) to which your comments relate.</p> <p>(d) Do you have any other comments on the proposed specific disclosure objectives? Please indicate the specific disclosure objective(s) to which your comments relate</p>	
14	<p><b>Information to meet the specific disclosure objectives for defined benefit plans</b></p> <p>Paragraphs BC110–BC145 of the Basis for Conclusions describe the Board’s reasons for proposing the items of information to meet the specific disclosure objectives about defined benefit plans, and discuss information that the Board considered but decided not to include.</p> <p>(a) Do you agree that entities should be required to disclose the proposed items of information in paragraphs 147F, 147M and 147V of the [Draft] amendments to IAS 19? Why or why not? If not, what</p>	Agree

	<p>changes do you suggest and how would they help an entity to meet the specific disclosure objectives?</p> <p>(b) Do you agree with the proposed items of information that are not mandatory but may enable entities to meet each specific disclosure objective? Why or why not? If not, what changes do you suggest and how would they help an entity to meet the specific disclosure objective?</p>	
15	<p><b>Overall disclosure objective for defined contribution plans</b></p> <p>Paragraphs BC156–BC158 of the Basis for Conclusions describe the Board’s reasons for proposing the overall disclosure objective for defined contribution plans. Do you agree that this proposed objective would result in the provision of useful information that meets the overall user information needs about defined contribution plans? If not, what alternative objective do you suggest and why?</p>	Agree
16	<p><b>Disclosures for multi-employer plans and defined benefit plans that share risks between entities under common control</b></p> <p>Paragraphs BC159–BC166 of the Basis for Conclusions describe the Board’s reasons for proposing which disclosure objectives should apply for multi-employer plans and defined benefit plans that share risks between entities under common control. Do you agree that these proposals would result in the provision of useful information that meets the overall user information needs about these plans? If not, what alternative approach do you suggest and why?</p>	Agree
17	<p><b>Disclosures for other types of employee benefit plans</b></p> <p>Paragraphs BC167–BC170 of the Basis for Conclusions describe the Board’s reasons for proposing the overall disclosure objectives for other types of employee benefit plans.</p>	Agree

	Do you agree that these proposals would result in the provision of useful information that meets the overall user information needs about these plans? If not, what alternative approach do you suggest and why?	
18	<p><b>Other comments on the proposed amendments to IAS 19</b></p> <p>Do you have any other comments on the proposed amendments to IAS 19 in this Exposure Draft, including the analysis of the effects (paragraph BC216 of the Basis for Conclusions) and the Illustrative Examples accompanying the Exposure Draft?</p>	Agree

*Date of Comment Submission: 7<sup>th</sup> August 2021*

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