

Comments On Exposure Draft
Climate-related and Other Uncertainties
in the Financial Statements
Proposed illustrative examples

Question 1—Providing illustrative examples

(a) Do you agree that providing examples would help improve the reporting of the effects of climate-related and other uncertainties in the financial statements? Why or why not? If you disagree, please explain what you would suggest instead and why.

Opinion— a) Yes agree. Inter connectivity between the financial statements and the rest of the annual report on climate-related matters and other uncertainties is a key concern for investors and regulators. Investors are challenging the lack of sufficient disclosure of climate-related information in financial statements and are seeking greater transparency and clarity. The 2021 reporting season is an opportunity for companies to close this information gap by enhancing their disclosures of the impact of climate-related matters.

(b) Do you agree with including the examples as illustrative examples accompanying IFRS Accounting Standards? Why or why not? If you disagree, please explain what you would suggest instead and why.

Opinion— b) Yes,

Question 2—Approach to developing illustrative examples

(a) that are among the most relevant for reporting the effects of climate-related and other uncertainties in the financial statements; and

Opinion— a) The IASB developed Example 1 to respond to stakeholder concerns about a perceived disconnect between information about the effects of climate-related risks disclosed in the financial statements and information provided outside the financial statements.

The IASB observed that some requirements in IFRS Sustainability Disclosure Standards include language similar to that used in requirements illustrated by the examples proposed in this Exposure Draft

(b) that are likely to address the concerns that information about the effects of climate-related risks in the financial statements is insufficient or appears to be inconsistent with information provided in general purpose financial reports outside the financial statements.

Opinion– (b) However, when applied together, IFRS Standards enable connected financial reporting and avoid duplicated disclosures

The examples illustrate how an entity applies the requirements in IFRS Accounting Standards in specified fact patterns

Question 3—Other comments

Opinion– The IASB developed illustrate how applying the requirements in IFRS Accounting Standards would result in an entity disclosing information about assumptions it makes about the future and other sources of estimation uncertainty, including those related to climate-related uncertainties. Research indicates that information about assumptions is often necessary to enable users of financial statements to understand how climate-related and other uncertainties affect the recognition and measurement of assets and liabilities.

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