

International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

Correspondant	Your references	Our references	Date
Ignace Bogaert Tel. +32(0)22776174	Amendments to IAS 1	COR 2014-063	16.07.2014

Dear Sir, Madam,

Invitation to comment – IASB ED *Disclosure Initiative – Proposed amendments to IAS 1*

The Belgian Accounting Standards Board (BASB) is pleased to respond to the Exposure Draft on *Disclosure Initiative – Proposed amendments to IAS 1* issued by the IASB (the “Board”) on 25 March 2014 (hereinafter the “ED”).

Question 1 – Disclosure Initiative amendments

The amendments to IAS 1 arising from the Disclosure Initiative aim to make narrow-focus amendments that will clarify some of its presentation and disclosure requirements to ensure entities are able to use judgement when applying that Standard. The amendments respond to concerns that the wording of some of the requirements in IAS 1 may have prevented the use of such judgement.

The proposed amendments relate to:

- a. materiality and aggregation (see paragraphs 29-31 and BC1-8 of this Exposure Draft);
- b. statement of financial position and statement of profit or loss and other comprehensive income (see paragraphs 54, 55A, 82, 85A and 85B and BC9-BC15 of this Exposure Draft);
- c. notes structure (see paragraphs 113-117 and BC16-BC19 of this Exposure Draft); and
- d. disclosure of accounting policies (see paragraphs 120 and BC20-BC22 of this Exposure Draft).

Do you agree with each of the amendments? Do you have any concerns about, or alternative suggestions for, any of the proposed amendments?

A . Materiality and aggregation

The BASB agrees with the proposal to clarify that useful information should not be obscured by aggregating or disaggregating information and that materiality considerations apply to the primary statements, notes and specific disclosure requirements in IFRSs.

Besides the proposed narrow-focused amendments, we also encourage the IASB to further evaluate the existing guidance on materiality in the disclosure initiative project.

B. Statement of financial position and statement of profit or loss and other comprehensive income

The BASB welcomes the clarification that reporting entities can aggregate line items in the list of IAS 1 § 54 if those line items are immaterial. The proposed wording makes the requirements consistent with the requirements of the statement of profit or loss and other comprehensive income, which do not contain the reference to “*as a minimum*”.

As a result of the amendment, paragraph 54 allows to aggregate or disaggregate certain line items presented in the above-mentioned statements. We would also suggest to reference within paragraph 54 to the materiality concept of IAS 1 when deciding on aggregating or disaggregating certain line items.

The existing guidance in IAS 1 requires entities to introduce subtotals in the statement of financial position or in the statement of profit or loss and other comprehensive income if such presentation is relevant to an understanding of the financial position or performance. Due to the lack of principles on the inclusion of additional line items, some reporting entities presented alternative performance measures (i.e. non-GAAP measures) with equal or more prominence than the required IAS 1 line items.

The BASB therefore agrees with the proposed amendment, but would suggest to allow reporting entities to change the inclusion and / or presentation of additional line items from one period to another by applying the principles of IAS 8. Hence we suggest cross-referencing to IAS 8 in the amended paragraph 55A and 85A of IAS 1.

C. Notes structure

The BASB acknowledges that an important step in breaking the boilerplate has been set by the Board by including the concepts of understandability and comparability of its financial statements during the preparation of the notes. This will inevitably lead to a more relevant relationship between some disclosures.

D. Disclosure of accounting policies

The BASB agrees that paragraph 120 of IAS 1 was often miss-interpreted in way that IAS 1 requires a specific order of notes. As a result, entities will be able to restructure their notes in order to provide more useful information to their stakeholders.

Question 2 – Presentation of items of other comprehensive income arising from equity-accounted investments

Do you agree with the IASB’s proposal to amend IAS 1 for the presentation of items of other comprehensive income arising from equity-accounted investments amendments (see paragraphs 82A, BC1-BC6 and the Guidance on implementing IAS 1).

39 If not, why and what alternative do you propose?

Whilst we understand the alternatives presented in BC 1 of the ED, the BASB is of the opinion that the presentation of grouped items either recyclable and non-recyclable from associates or joint-ventures is the most preferred option.

Question 3 – Transition provisions and effective date

Do you agree with the proposed transition provisions for the amendments to IAS 1 as described in this Exposure Draft (see paragraphs 139N and BC23-BC25)?
If not, why and what alternative do you propose?

The BASB agrees with the proposed transition requirements.

Should you wish to discuss the content of this letter with us, please contact Jan Verhoeve at jan.verhoeve@cnc-cbn.be.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'J. Verhoeve', written in a cursive style.

Jan Verhoeve
Chairman BASB