

# Better communication in financial reporting

Status and key objectives of projects | July 2024

## Financial statements

### Primary Financial Statements

#### IFRS 18 Presentation and Disclosure in Financial Statements ✓

Replacing IAS 1 *Presentation of Financial Statements*. The new standard aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information. It also requires disclosures about management-defined performance measures.

Effective 1 January 2027

### Disclosure Initiative

#### Materiality Judgements on Accounting Policies ✓

Providing guidance and examples to help companies apply materiality judgements to accounting policy disclosures.

Effective 1 January 2023

#### Amendments to IAS 1 and IAS 8\* ✓

##### Definition of Material

Refining the definition of materiality and clarifying its characteristics.

\*IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Effective 1 January 2020

#### Amendments to IAS 1 ✓

##### Presentation of Financial Statements

Encouraging management to apply professional judgement in determining what information to disclose in the financial statements.

Effective 1 January 2016

#### Targeted Standards-level Review of Disclosures ✓

Developing an improved approach for the International Accounting Standards Board (IASB) to use when drafting disclosure requirements in new or revised IFRS® Accounting Standards.

Project summary issued in March 2023

#### IFRS Practice Statement 2 ✓

##### Making Materiality Judgements

Facilitating management's judgements on applying the materiality concept to the financial statements.

Non-mandatory practice statement effective since September 2017

#### Amendments to IAS 7 ✓

##### Statement of Cash Flows

Requiring new disclosures that help users evaluate changes in liabilities arising from financing activities.

Effective 1 January 2017

### Outside financial statements

#### IFRS Practice Statement 1 Management Commentary 🔍

Exploring ways to update the guidance to support more rigorous management commentary about factors affecting the financial statements.

Exposure draft published in May 2021

Next milestone: Final revised practice statement expected H1 2025

#### Principles of Disclosure (PoD) ✓

Identifying disclosure issues and developing a set of principles for disclosure in IFRS Accounting Standards to address them.

Project summary issued in March 2019

#### IFRS 19 Subsidiaries without Public Accountability: Disclosures ✓

Permitting eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements in their financial statements.

Effective 1 January 2027

Project status: 🔍 Ongoing ✓ Completed

### IFRS Taxonomy 🔍

Examining the delivery of information

In progress

[kpmg.com/ifrs](https://kpmg.com/ifrs)

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