

Dr. Andreas Barckow
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[Date]

Dear Dr Barckow

Invitation to Comment: Exposure Draft ED/2021/7 *Subsidiaries without Public Accountability: Disclosures*

The UK Endorsement Board (UKEB) is responsible for endorsement and adoption of IFRS for use in the UK and therefore is the UK's National Standard Setter for IFRS. The UKEB also leads the UK's engagement with the IFRS Foundation (Foundation) on the development of new standards, amendments and interpretations. This letter is intended to contribute to the Foundation's due process. The views expressed by the UKEB in this letter are separate from, and will not necessarily affect the conclusions in, any endorsement and adoption assessment on new or amended International Accounting Standards undertaken by the UKEB.

There are currently approximately 1,500 entities with equity listed on London Stock Exchange that prepare their financial statements in accordance with IFRS Standards¹. In addition, UK law allows unlisted companies the option to use IFRS and approximately 14,000 such companies currently take up this option.

We welcome the opportunity to comment on the IASB's Exposure Draft *Subsidiaries without Public Accountability: Disclosures* (the ED). To develop our draft response our work to-date has included in-house research and some initial outreach at our stakeholders' roundtables. Our work on these matters continues and will inform our final comment letter. Our high-level comments from our initial work are as follows:

1. We support the IASB's efforts to develop an IFRS Standard that would permit eligible subsidiaries to apply recognition and measurement requirements in IFRS, but with a reduced set of disclosure requirements. It should be noted that subsidiaries without public accountability usually have few users of their financial statements, primarily parent entities, tax authorities and providers of credit such as bank credit departments. A significant number of these users can request additional information from management and therefore financial statements are not their single source of information. We anticipate that the draft proposals will result in cost savings and reductions in complexity for subsidiaries without public accountability that report to a parent applying IFRS in its consolidated financial statements.

¹ UKEB calculations based on LSEG and Eikon data. This calculation includes companies listed on the Main market as well as the Alternative Investment Market (AIM).

Other potential benefits include disclosures tailored to the needs of users of these financial statements and reduced audit work.

2. We broadly agree with the proposed scope set out in the ED, that the draft Standard would be available only to subsidiaries without public accountability. However, we recommend that the IASB extends the scope so that an ultimate parent of a group, that does not itself have public accountability, may also take advantage of the reduced-disclosure framework when preparing its individual financial statements.
3. We suggest that the IASB reviews its 'bottom-up approach' and consider aligning it more closely with the 'top-down approach' that the UK experience has demonstrated as being cost effective for preparers and which provides decision-useful information for users. As a minimum, there is merit in developing a clear link between full IFRS and the draft Standard, so that subsidiary preparers can easily navigate from the "full IFRS" package they will use in providing the information for the group accounts to the "reduced disclosure" package for their own statutory accounts.
4. Initial consultation with stakeholders has identified possible further reductions to some of the disclosures proposed by the ED. Two main areas suggested by UK stakeholders include the disclosure requirements of IFRS 7 *Financial Instruments: Disclosures* and IFRS 13 *Fair Value Measurement*. More information is included in the appendix to this letter.
5. It is not entirely clear from the ED how the specific information needs of subsidiaries' financial statements were considered when balancing relief for preparers. We believe it is an important consideration to maintain the usefulness of the financial statements to the users of those subsidiaries' financial statements. We think the IASB should consider including a clearer articulation of the users' needs and how these reduced disclosures address them.
6. We are aware of a few entities in the UK, mainly 'captive insurers', that issue insurance contracts within the scope of IFRS 17 *Insurance Contracts* and may be within the scope of this ED. We therefore do not support the ED proposals for full IFRS 17 disclosure requirements for subsidiaries which are not publicly accountable. The same concerns about the balance between undue costs for preparers and users' information needs are equally applicable to them. We are also concerned that taking this approach to a recently issued standard, ie. observing its application before arriving at a reduced disclosure framework, could create a precedent for any new IFRS Standards the IASB issues in the future. Our preferred approach would be for the IASB to include proposals for reduced disclosures for subsidiaries without public accountability as part of the exposure drafts for any new or amended IFRS standards.

7. In the UK Financial Reporting Standard 101 (FRS 101) *Reduced Disclosure Framework*, provides a reduced disclosure framework for qualifying entities. In particular, it allows subsidiaries of groups preparing consolidated financial statements in accordance with UK-adopted international accounting standards to apply accounting policies consistent with the group accounts, whilst permitting disclosure exemptions to reduce the cost of preparing financial statements. FRS 101 can be applied in the individual financial statements of subsidiaries and ultimate parents. Our desk-based research and initial outreach with stakeholders identified widespread use of FRS 101 in the UK and the resulting positive impact on the cost-effectiveness in preparing financial statements for entities within its scope. The cost of producing full IFRS disclosures in individual entities' financial statements would be disproportionate given the expectation that that information, there will be very few, if any, users external to the group. We believe that UK groups with only UK registered subsidiaries are likely to prefer to continue to use FRS 101. Stakeholders have told us that the FRS 101 disclosure exemptions are more effective at achieving the objective of reducing the cost of preparing financial statements for such entities when compared with the ED's proposals. However, our expectation is that the ED will be attractive to UK groups with overseas subsidiaries, where the group prepares consolidated accounts in accordance with IFRS. Permitting UK and overseas subsidiaries to use the draft Standard will achieve uniformity in providing financial information for incorporation in the group financial statements.

If you have any questions about this response, please contact the project team at Contact@endorsement-board.uk

Yours sincerely

Pauline Wallace
Chair
UK Endorsement Board

Appendix Questions on ED/2021/7 *Subsidiaries without Public Accountability: Disclosures.*

Appendix: Questions on ED/2021/7 *Subsidiaries without Public Accountability: Disclosures*

Objective

Question 1: Objective
Paragraph 1 of the draft Standard proposes that the objective of the draft Standard <i>Subsidiaries without Public Accountability: Disclosures</i> is to permit eligible subsidiaries to apply the disclosure requirements in the draft Standard and the recognition, measurement and presentation requirements in IFRS Standards.
Do you agree with the objective of the draft Standard? Why or why not? If not, what objective would you suggest and why?

Objective

- A1 We support IASB's effort to develop an IFRS that would develop a reduced disclosure framework, permitting subsidiaries without public accountability to prepare their financial statements by applying the recognition and measurement requirements of IFRS with reduced disclosures.
- A2 It should be noted that there are few external users of financial statements of subsidiaries without public accountability, primarily parent entities, tax authorities and providers of credit such as bank credit departments. A significant number of these users are able to request additional information directly from management and therefore are unlikely to rely solely on financial statements for their information needs.
- A3 The objective of the ED is similar to that of the UK's FRS 101 *Reduced Disclosure Framework*, which sets out an optional reduced disclosure framework for the individual financial statements of subsidiaries and ultimate parent entities, that otherwise apply the recognition, measurement and disclosure requirements of UK-adopted IFRS.
- A4 Feedback from stakeholders identified widespread use of FRS 101 in the UK and a resulting positive impact on cost-effectiveness in preparing financial statements for entities within its scope. The cost of producing full IFRS disclosures in individual entities' financial statements would be disproportionate given the expectation that there will be very few, if any, users external to the group. We would expect similar benefits in general for entities that opt to use the draft Standard given that both Standards have similar scope.
- A5 Initial outreach with preparers indicated that the ED is expected to be attractive to UK groups with overseas subsidiaries, where the group prepares consolidated accounts in accordance with IFRS. Permitting UK and overseas subsidiaries to use the draft Standard will achieve uniformity in providing financial information for incorporation in the group financial statements. Such groups can see a number of benefits from aligning the financial reporting framework of their subsidiaries worldwide, including consistency of reporting to the parent for the purposes of preparing the consolidated financial statements and resulting cost savings for both parents and subsidiaries.

Question 2: Scope

Paragraphs 6–8 of the draft Standard set out the proposed scope. Paragraphs BC12–BC22 of the Basis for Conclusions explain the Board’s reasons for that proposal.

Do you agree with the proposed scope? Why or why not? If not, what approach would you suggest and why?

Scope

- A6 We broadly agree with the proposed scope which is in line with the objective of the project – to provide disclosure relief for subsidiaries whose parent prepares consolidated financial statements applying IFRS.
- A7 However, we propose that the IASB extends the scope so that ultimate parent of a group, that does not itself have public accountability, may also take advantage of the reduced-disclosure framework when preparing its individual financial statements.

Developing the proposed disclosure requirements

Question 3: Approach to developing the proposed disclosure requirements

In developing the proposed disclosure requirements, the Board used the disclosure requirements from the *IFRS for SMEs* Standard, with minor tailoring, when the recognition and measurement requirements in IFRS Standards and the *IFRS for SMEs* Standard were the same. When the recognition and measurement requirements differed between IFRS Standards and the *IFRS for SMEs* Standard, the Board:

- (a) added disclosure requirements for topics or accounting policy options that are addressed in IFRS Standards but omitted from the *IFRS for SMEs* Standard. To do so, the Board applied (to the disclosure requirements in IFRS Standards for that topic or policy option) the principles it used when developing the disclosure requirements in the *IFRS for SMEs* Standard.
- (b) deleted disclosure requirements relating to accounting policies available in the *IFRS for SMEs* Standard but not in IFRS Standards.

The Board applied this approach so the disclosure requirements proposed in the draft Standard would be sufficient to meet the needs of users of the financial statements.

After applying that approach, the Board reviewed the outcome and in a limited number of cases, proposed some exceptions.

Paragraphs BC23–BC39 of the Basis for Conclusions explain the Board’s reasons for its approach to developing the proposed disclosure requirements.

Do you agree with that approach? Why or why not? If not, what approach would you suggest and why?

Approach to developing the proposed disclosure requirements

- A8 Initial outreach with stakeholders has indicated some concern with IASB’s ‘bottom-up approach’ to developing the proposed disclosure requirements. They note that this approach would require significant effort from preparers to determine the required disclosures since preparers of subsidiary financial statements may not be familiar with the *IFRS for SMEs* Standard. Therefore, in their view this approach does not achieve the objective of reducing costs for subsidiaries.

- A9 One stakeholder suggestion was that a ‘top-down approach’, starting with the full IFRS disclosure requirements and considering exemptions, is a better approach as it is easier to apply in practice. We understand that this was the approach adopted in developing FRS 101. Our view is that this approach has additional advantages, for example it would result in consistency of language between the draft Standard and full IFRS, deemed particularly helpful by stakeholders when transitioning to the draft Standard. In addition, the ‘top-down approach’ better reflects the needs of the users of these accounts, who are unlikely to be familiar with the *IFRS for SMEs* Standard. A further advantage of this approach is that it would facilitate more timely development of reduced disclosures for new standards, as it would not be impacted by the delay between the publication of a new full IFRS and its consideration for incorporation into *IFRS for SMEs* Standard that exists under the current IASB process.
- A10 In light of the stakeholder feedback, we suggest that the IASB reviews its ‘bottom-up approach’ and consider aligning it more closely with the ‘top-down approach’ that the UK experience has demonstrated as being cost effective for preparers and which provides decision-useful information for users. As a minimum, there is merit in developing a clear link between full IFRS and the draft Standard, so that subsidiary preparers can easily navigate from the "full IFRS" package they will use in providing the information for the group accounts to the "reduced disclosure" package for their own statutory accounts.
- A11 We also support the principles the IASB used to assess the needs of users of financial statements, as we agree that these users are likely to be focused on information about short-term cash flows, obligations, commitments or contingencies, liquidity, solvency, measurement uncertainties, accounting policy choices and disaggregation of amounts in the financial statements.
- A12 However, we note that the principles explained in paragraph BC34 of the Basis for Conclusions of the ED apply to all entities that do not have public accountability. It is not entirely clear from the ED how the specific information needs of users of subsidiaries’ financial statements were considered when balancing relief for preparers. For example, the needs of users of accounts of subsidiaries that are 100% owned by the group may be significantly different to those with non-controlling interests outside the group. Similarly, needs of providers of credit may be very different to those of tax authorities. We believe it is an important consideration in developing the disclosure requirements to maintain the usefulness of the financial statements to the users. We think the IASB should consider including a clearer articulation of the users’ needs and how these reduced disclosures address them.
- A13 We are also concerned that the ED does not explain the principles the IASB will consider in maintaining the draft Standard in the future to ensure it continues to achieve its objectives of satisfying users’ needs and cost-benefit considerations including reductions of costs for preparers.

Question 4: Exceptions to the approach

Paragraphs BC40–BC52 of the Basis for Conclusions explain the Board’s reasons for the exceptions to its approach to developing the proposed disclosure requirements.

Exceptions (other than paragraph 130 of the draft Standard) relate to:

- disclosure objectives (paragraph BC41);
- investment entities (paragraphs BC42–BC45);
- changes in liabilities from financing activities (paragraph BC46);
- exploration for and evaluation of mineral resources (paragraphs BC47–BC49);
- defined benefit obligations (paragraph BC50);
- improvements to disclosure requirements in IFRS Standards (paragraph BC51); and
- additional disclosure requirements in the *IFRS for SMEs* Standard (paragraph BC52).

- (a) Do you agree with the exceptions? Why or why not? If not, which exceptions do you disagree with and why? Do you have suggestions for any other exceptions? If so, what suggestions do you have and why should those exceptions be made?
- (b) Paragraph 130 of the draft Standard proposes that entities disclose a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. The proposed requirement is a simplified version of the requirements in paragraphs 44A–44E of IAS 7 Statement of Cash Flows.
- (i) Would the information an eligible subsidiary reports in its financial statements applying paragraph 130 of the draft Standard differ from information it reports to its parent (as required by paragraphs 44A–44E of IAS 7) so that its parent can prepare consolidated financial statements? If so, in what respect?
- (ii) In your experience, to satisfy paragraphs 44A–44E of IAS 7, do consolidated financial statements regularly include a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities?

Exceptions to the approach

- A14 We broadly agree with the exceptions to the approach to developing the disclosure requirements. However, in some cases we recommend the rationale for making the exceptions are explained more clearly. For instance, the rationale for the exception to the approach relating to improvements to disclosure requirements in IFRS from IFRS 7 *Financial Instruments: Disclosures* and IFRS 13 *Fair Value Measurement* is not clear.
- A15 Our initial outreach with preparers suggests that the ED’s requirement to include a reconciliation between the opening and closing balances for liabilities arising from financing activities in the statement of financial position would not differ from information a subsidiary would report to its parent in order to comply with paragraphs 44A–44E of IAS 7 *Statement of Cash Flows*.
- A16 Preparers indicated they would find this reconciliation easier to prepare compared to preparing a statement of cash flows for a subsidiary and suggested that users might find this reconciliation more useful than a full statement of cash flows.
- A17 In addition, it is likely to be more cost effective as the information required by the reconciliation is reported by subsidiaries to the ultimate parent for the purpose of the disclosure in the consolidated financial statements.

The proposed reduced disclosure requirements

Question 5: Disclosure requirements about transition to other IFRS Standards

Any disclosure requirements specified in an IFRS Standard or an amendment to an IFRS Standard about the entity's transition to that Standard or amended Standard would remain applicable to an entity that applies the Standard.

Paragraphs BC57–BC59 of the Basis for Conclusions explain the Board's reasons for this proposal.

Do you agree with this proposal? Why or why not? If not, what approach would you suggest and why?

- A18 We support IASB's proposal that any disclosure requirements specified in an IFRS about the entity's transition to that Standard would remain applicable to an entity that applies the reduced disclosure IFRS Standard. We believe such transition disclosures would provide useful information to users of subsidiaries' financial statements. In addition, such disclosure requirements are not recurrent and therefore no significant ongoing cost would be incurred. On balance, we think the benefits of the information to users would outweigh the one-off cost of providing the transition disclosures.

Question 6: Disclosure requirements about insurance contracts

The draft Standard does not propose to reduce the disclosure requirements of IFRS 17 Insurance Contracts. Hence an entity that applies the Standard and applies IFRS 17 is required to apply the disclosure requirements in IFRS 17. Paragraphs BC61–BC64 of the Basis for Conclusions explain the Board's reasons for not proposing any reduction to the disclosure requirements in IFRS 17.

- (a) Do you agree that the draft Standard should not include reduced disclosure requirements for insurance contracts within the scope of IFRS 17? Why or why not? If you disagree, from which of the disclosure requirements in IFRS 17 should an entity that applies the Standard be exempt? Please explain why an entity applying the Standard should be exempt from the suggested disclosure requirements.
- (b) Are you aware of entities that issue insurance contracts within the scope of IFRS 17 and are eligible to apply the draft Standard? If so, please say whether such entities are common in your jurisdiction, and why they are not considered to be publicly accountable.

Disclosure requirements about insurance contracts

- A19 We have reservations about supporting the ED proposals for full IFRS 17 disclosure requirements for subsidiaries which are not publicly accountable, as the same undue costs for preparers and users' information needs are similarly applicable for them. While there are relatively few subsidiaries in the UK that issue insurance contracts within the scope of IFRS 17 and which are not publicly accountable, there are a few, mainly "captive insurers". Furthermore, we are also concerned that taking this approach to a recently issued standard, ie. observing its application before arriving at a reduced disclosure framework, could create a precedent for any new IFRS the IASB issues in the future.

- A20 Our preferred approach would be for the IASB to propose reduced disclosures for subsidiaries without public accountability as part of the exposure drafts for any new or amended IFRS standards.

Question 7: Interaction with IFRS 1 *First-time Adoption of International Financial Reporting Standards*

Paragraphs 23–30 of the draft Standard propose reduced disclosure requirements that apply to an entity that is preparing its first IFRS financial statements and has elected to apply the Standard when preparing those financial statements.

If a first-time adopter of IFRS Standards elected to apply the draft Standard, the entity would:

- apply IFRS 1, except for the disclosure requirements in IFRS 1 listed in paragraph A1(a) of Appendix A of the draft Standard; and
- apply the disclosure requirements in paragraphs 23–30 of the draft Standard.

This approach is consistent with the Board’s proposals on how the draft Standard would interact with other IFRS Standards.

However, IFRS 1 differs from other IFRS Standards—IFRS 1 applies only when an entity first adopts IFRS Standards and sets out how a first-time adopter of IFRS Standards should make that transition.

- (a) Do you agree with including reduced disclosure requirements for IFRS 1 in the draft Standard rather than leaving the disclosure requirements in IFRS 1?

Paragraphs 12–14 of the draft Standard set out the relationship between the draft Standard and IFRS 1.

- (b) Do you agree with the proposals in paragraphs 12–14 of the draft Standard? Why or why not? If not, what suggestions do you have and why?

Interaction with IFRS 1

- A21 We support the IASB’s proposal for reduced disclosure requirements for IFRS 1. We believe this approach is proportionate and practical and takes into consideration users’ information needs of subsidiaries which are non-publicly accountable entities.
- A22 We also welcome IASB’s clarification of the interaction of the draft Standard with IFRS 1. We find the guidance on electing or revoking an election to apply the draft Standard helpful and clear.

Question 8: The proposed disclosure requirements

Paragraphs 22–213 of the draft Standard set out proposed disclosure requirements for an entity that applies the Standard. In addition to your answers to Questions 4 to 7:

- (a) Do you agree with those proposals? Why or why not? If not, which proposals do you disagree with and why?
- (b) Do you recommend any further reduction in the disclosure requirements for an entity that applies the Standard? If so, which of the proposed disclosure requirements should be excluded from the Standard and why?
- (c) Do you recommend any additional disclosure requirements for an entity that applies the Standard? If so, which disclosure requirements from other IFRS Standards should be included in the Standard and why?

The proposed reduced disclosure requirements

- A23 Our stakeholder outreach and research work indicate that the proposed disclosure requirements set out in paragraphs 22 to 213 of the ED may be further reduced without unduly impacting the information flow to users. We include below disclosure requirements which we recommend are removed and our rationale:

Disclosure requirements in the ED	IASB's rationale for adding the disclosures into the draft Standard	UKEB's rationale to remove the disclosure requirements in the draft Standard
IFRS 2 <i>Share-based Payment</i>	These disclosures are required by <i>IFRS for SMEs</i> Standard.	<p>FRS 101 requires only a description of each type of share-based payment transaction. The other disclosures of IFRS 2 are exempted, provided that the entity is:</p> <ul style="list-style-type: none"> • a subsidiary where the share-based payment arrangement concerns equity instruments of another group entity; or • an ultimate parent where the share-based payment arrangement concerns its own equity instruments and its separate financial statements are presented alongside the consolidated financial statements of the group; <p>and, in both cases, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.</p> <p>We believe the disclosure requirements in the draft Standard for share-based payment arrangements are disproportionate and burdensome. Stakeholders shared similar concerns. We recommend the draft Standard follows the approach of FRS 101.</p>
IFRS 7 <i>Financial Instruments: Disclosures</i>	Users of subsidiaries' financial statements could benefit from these disclosure requirements and their inclusion in the draft Standard is supported by the principles used to develop the disclosure requirements in the <i>IFRS for SMEs</i> Standard. These disclosures are not required by <i>IFRS for SMEs</i> Standard.	<p>We note that the disclosure requirements for IFRS 7 and 13 in the draft Standard are more extensive than the <i>IFRS for SMEs</i> Standard. These are disproportionately burdensome and add little value to users of subsidiaries' financial statements which often have few users that are external to the group. For example, a specific concern raised by stakeholders is that most groups would have a central treasury function which is used by the parent. Requiring subsidiaries to separately disclose its inter-group hedging would be onerous, costly to produce and unlikely to be useful to users of its financial statements.</p> <p>FRS 101 provides disclosure exemptions from IFRS 7 and 13, other than for financial institutions, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.</p> <p>We recommend a similar approach to FRS 101 except for the disclosures in IFRS 7 relating to liquidity risk. We note that the draft Standard excluded the disclosures on liquidity risk in IFRS 7. This is inconsistent with the principles the IASB used to assess the needs of users of financial statements which include liquidity as one of the pieces of information that these users are likely to be focused on. We therefore recommend that the disclosures on liquidity risk should be required by the draft Standard.</p> <p>We consider that this approach is consistent with the focus in the draft Standard on users' information needs.</p>
FRS 13 <i>Fair Value Measurement</i>		

Question 9: Structure of the draft Standard

Paragraphs 22–213 of the draft Standard set out proposed disclosure requirements for an entity that applies the Standard. These disclosure requirements are organised by IFRS Standard and would apply instead of the disclosure requirements in other IFRS Standards that are listed in Appendix A. Disclosure requirements that are not listed in Appendix A that remain applicable are generally indicated in the draft Standard by footnote to the relevant IFRS Standard heading. Paragraphs BC68–BC70 explain the structure of the draft Standard.

Do you agree with the structure of the draft Standard, including Appendix A which lists disclosure requirements in other IFRS Standards replaced by the disclosure requirements in the draft Standard? Why or why not? If not, what alternative would you suggest and why?

Structure of the draft Standard

A24 We find the structure of the draft Standard, where the disclosure requirements are organised by IFRS Standard to be sufficiently clear. We also welcome Appendix A of the ED which lists the disclosure requirements in full IFRS that do not apply to entities that apply the draft Standard.

A25 However, we find the way in which the draft Standard sets out the disclosure requirements unhelpful. The ED includes those disclosure requirements that remain applicable via a footnote to eight headings relating to individual IFRS Standards. For instance, for IFRS 16 *Leases*, a footnote is appended to state that in addition to the disclosure required by the draft Standard, paragraph 47 of IFRS 16 which uses the word ‘disclose’ remains applicable. These footnotes can be confusing when determining the disclosure requirements of the draft Standard. To improve the accessibility of the draft Standard we recommend these footnotes are replaced with a comprehensive list of disclosure requirements. This approach would be more helpful and make the draft Standard a stand-alone document. This would make it easier to understand as it would avoid the need for users to refer to other IFRS Standards.

Other comments

Question 10: Other comments

Do you have any other comments on the proposals in the draft Standard or other matters in the Exposure Draft, including the analysis of the effects (paragraphs BC92–BC101 of the Basis for Conclusions)?

A26 IAS 1 *Presentation of Financial Statements*, paragraph 17(c) requires an entity to provide additional disclosures when compliance with the specific requirements in IFRS Standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity’s financial position and performance. The ED states in footnote 8 that the requirements of IAS 1 paragraph 17(c) remain applicable. Those requirements refer to the additional disclosures to be provided when compliance with the required disclosures does not lead to fair presentation of the underlying transactions. Stakeholders found it difficult to understand how they would apply those requirements in the context of a reduced disclosure regime. We recommend additional guidance on how to apply this requirement in the context of the ED, for example, in the light of the principles used to assess the needs of users of financial statements which are likely to be focused

on information about short-term cash flows, obligations, commitments or contingencies, liquidity, solvency, measurement uncertainties, accounting policy choices and disaggregation of amounts in the financial statements in order to achieve fair presentation as required by IAS 1 paragraph 15.

- A27 We strongly support identification of consequential amendments to the draft Standard when the IASB publishes an exposure draft of a new or amended IFRS Standard. We believe this is a more efficient approach that would ensure the reduced disclosure requirements for eligible subsidiaries keep pace with standard development for the parent entity's consolidated financial statements.

Draft for Consultation