IFRS 19 Subsidiaries without Public Accountability: Disclosures – Basis for Conclusions

CONTENTS **Paragraph**

This Basis for Conclusions accompanies, but is not part of, IFRS 19 Subsidiaries without Public Accountability: Disclosures*. It summarises the considerations of the International Accounting Standards Board (IASB) when developing IFRS 19. Individual IASB members gave greater weight to some factors than to others. The IASB also published an Effects Analysis describing the likely costs and benefits of IFRS 19.*

Introduction

BC1 IFRS 19 *Subsidiaries without Public Accountability: Disclosures* is a voluntary IFRS Accounting Standard for use by eligible subsidiaries that prepare financial statements applying IFRS Accounting Standards. It specifies which disclosure requirements apply to a subsidiary that does not have public accountability and whose parent produces consolidated financial statements that comply with IFRS Accounting Standards and are available for public use.

Background

The research phase

BC2 The International Accounting Standards Board (IASB) added the *Subsidiaries without Public Accountability: Disclosures* project to its research pipeline in response to feedback from stakeholders on the *Request for Views—2015 Agenda Consultation*. These stakeholders—mainly preparers—asked the IASB to permit subsidiaries with a parent that applies IFRS Accounting Standards when producing its consolidated financial statements to apply IFRS Accounting Standards with reduced disclosure requirements. Many subsidiaries are eligible to apply the *IFRS for SMEs*® Accounting Standard for their general purpose financial statements. Subsidiaries applying that Standard are required to provide fewer disclosures than those applying IFRS Accounting Standards. However, many subsidiaries find applying the *IFRS for SMEs* Accounting Standard unappealing because they need to report to their parent amounts that comply with the recognition and measurement requirements in IFRS Accounting Standards so the parent can prepare its consolidated financial statements applying IFRS Accounting Standards. A subsidiary applying the *IFRS for SMEs* Accounting Standard would generally need to maintain additional accounting records because of the recognition and measurement differences between the requirements in that Standard and IFRS Accounting Standards.

BC3 Subsidiaries said they would prefer to use the recognition and measurement requirements in IFRS Accounting Standards but with reduced disclosure requirements. Stakeholders took the view that such an approach would eliminate unnecessary costs for many subsidiaries in preparing general purpose financial statements while ensuring users of those subsidiaries' financial statements obtain the information they need.

BC4 In adding the project to the research pipeline, the IASB decided to investigate an approach that:

(a) would be limited to subsidiaries that meet the description of a small and medium-sized entity (SME) as defined in the *IFRS for SMEs* Accounting Standard—that is, subsidiaries without public accountability that prepare general purpose financial statements.

(b) would build on the work done in developing the disclosure requirements in the *IFRS for SMEs* Accounting Standard to develop the reduced disclosure requirements for a new IFRS Accounting Standard. The disclosure requirements in the *IFRS for SMEs* Accounting Standard are based on those in IFRS Accounting Standards. Therefore, the IASB would need to amend the disclosure requirements that were drawn from the *IFRS for SMEs* Accounting Standard only for topics for which the recognition or measurement requirements differ between IFRS Accounting Standards and the *IFRS for SMEs* Accounting Standard.

BC5 Subsidiaries that do not have public accountability are eligible to apply the *IFRS for SMEs* Accounting Standard. Accordingly, the IASB started from the position that, in general and in the absence of recognition and measurement differences, the disclosure requirements in the *IFRS for SMEs* Accounting Standard are sufficient to meet the needs of users of these subsidiaries' financial statements.

BC6 The research aimed to investigate whether:

(a) an IFRS Accounting Standard with reduced disclosure requirements for subsidiaries without public accountability would be adopted by jurisdictions and applied by these subsidiaries; and

(b) the IASB could develop such a Standard using the disclosure requirements in the *IFRS for SMEs* Accounting Standard with only minimal amendments.

BC7 Based on its research, the IASB concluded that if it were to develop an IFRS Accounting Standard with reduced disclosure requirements for subsidiaries without public accountability, the new Standard would be adopted and applied. The IASB took into consideration the fact that reduced disclosure standards have been implemented and successfully applied in several jurisdictions. An IFRS Accounting Standard with reduced disclosure requirements for subsidiaries without public accountability would:

(a) save costs for preparers because subsidiaries could provide reduced disclosures while still applying the same recognition and measurement requirements when producing their financial statements that their parent applied for its consolidated financial statements. These subsidiaries would therefore not need to maintain additional accounting records.

(b) maintain the usefulness of the financial statements for users of these subsidiaries' financial statements by requiring only disclosures designed to meet users' information needs while eliminating disclosures that go beyond their needs.

BC8 The IASB concluded it could develop an IFRS Accounting Standard using the disclosure requirements in the *IFRS for SMEs* Accounting Standard with only minimal amendments. The IASB's rationale was that, because subsidiaries without public accountability are eligible to apply the *IFRS for SMEs* Accounting Standard, the disclosure requirements in that Standard must be sufficient to meet the information needs of users of these subsidiaries' financial statements. This conclusion was important because the ability to use the disclosure requirements in the *IFRS for SMEs* Accounting Standard as a starting point meant the IASB could develop the Exposure Draft more efficiently by using the work it had already done.

Developing the Exposure Draft

BC9 In July 2021 the IASB published the Exposure Draft *Subsidiaries without Public Accountability: Disclosures* (Exposure Draft), reflecting the outcomes of its research. The Exposure Draft proposed a draft Standard that would satisfy the objective of permitting eligible subsidiaries (see paragraph BC17) to apply the recognition, measurement and presentation requirements of IFRS Accounting Standards with reduced disclosure requirements.

BC10 In the Exposure Draft, the IASB proposed a Standard that would:

(a) be part of IFRS Accounting Standards;

(b) be optional for eligible subsidiaries;

(c) set out reduced disclosure requirements to maintain the usefulness of the financial statements for users;

(d) specify which disclosure requirements in other IFRS Accounting Standards would not be applicable; and

(e) be updated, if necessary, when the IASB issued a new or amended IFRS Accounting Standard (see paragraphs BC108–BC113).

BC11 The IASB developed the requirements proposed in the Exposure Draft by:

(a) using disclosure requirements from the *IFRS for SMEs* Accounting Standard if the recognition and measurement requirements in that Standard were the same as those in IFRS Accounting Standards;

(b) applying the principles for reducing disclosure requirements in the *IFRS for SMEs* Accounting Standard (see paragraph BC33) to reduce the disclosure requirements from IFRS Accounting Standards if the recognition and measurement requirements in the *IFRS for SMEs* Accounting Standard differed from those in IFRS Accounting Standards; and

(c) adding disclosure requirements from IFRS Accounting Standards for topics not included in the *IFRS for SMEs* Accounting Standard and for topics in new or amended IFRS Accounting Standards.

BC12 The proposals in the Exposure Draft took into account IFRS Accounting Standards issued before 28 February 2021. This cut-off date gave the IASB a clear scope for the topics to be discussed. The approach for new or amended IFRS Accounting Standards issued after this date is discussed in paragraphs BC108–BC113.

BC13 The IASB received 68 comment letters in response to the Exposure Draft. The IASB also participated in 24 stakeholder events on the proposals, including consultations with stakeholder groups and discussions with respondents.

BC14 The feedback generally supported the proposals in the Exposure Draft. It showed that:

(a) most respondents agreed with the objective of the draft Standard and agreed eligible subsidiaries would benefit from applying IFRS 19.

(b) respondents had mixed views on the scope of the draft Standard and on which entities or groups of entities should be included within its scope.

(c) some respondents disagreed with how the principles for reducing disclosure requirements had been applied and some respondents said there were specific situations in which an exception from using the *IFRS for SMEs* Accounting Standard disclosure requirements was necessary. Many of these respondents suggested changes to the proposed disclosure requirements: there was an almost equal number of suggestions to add and to remove disclosure requirements. In many cases only a very small number of respondents, or a single respondent, commented on an individual proposed disclosure requirement, showing a wide range of views.

(d) some respondents had concerns about how the proposed disclosure requirements were developed because, in their view, the IASB had not clearly explained the relationship between the draft Standard and the *IFRS for SMEs* Accounting Standard.

Developing IFRS 19 from the Exposure Draft

BC15 As described in paragraph BC14, some respondents sought clarification or suggested changes on aspects of the Exposure Draft or its development. One area on which respondents sought clarification was how the IASB had developed the proposed disclosure requirements. Based on this feedback, the IASB decided to modify its previous approach of using the disclosure requirements in the *IFRS for SMEs* Accounting Standard for all topics for which recognition and measurement were the same as IFRS Accounting Standards. Instead, the IASB emphasised that all disclosure requirements in IFRS 19 are from those in IFRS Accounting Standards and that the use of the disclosure requirements from the *IFRS for SMEs* Accounting Standard had been an efficient starting point. This change in emphasis is consistent with:

(a) the disclosure requirements in the *IFRS for SMEs* Accounting Standard that are reduced from the disclosure requirements in IFRS Accounting Standards; and

(b) the fact that IFRS 19 and the *IFRS for SMEs* Accounting Standard will be maintained separately. IFRS 19 will be updated alongside other IFRS Accounting Standards while the *IFRS for SMEs* Accounting Standard is updated only periodically, and their disclosure requirements are assessed separately using the principles for reducing disclosures taking into account the information needs of users of the financial statements.

BC16 The most significant changes made as a result of the feedback on the proposals in the Exposure Draft were:

(a) aligning the language used in IFRS 19 with that used in IFRS Accounting Standards;

(b) amending the detailed disclosure requirements, particularly those relating to financial instruments, and introducing a narrow-scope disclosure requirement relating to credit risk that applies to only one group of eligible subsidiaries (see paragraph BC69); and

(c) changing the structure of IFRS 19, including the location of references to disclosure requirements from other IFRS Accounting Standards that remain applicable.

Scope

BC17 IFRS 19 is available for entities that at the end of their reporting period:

(a) are subsidiaries without public accountability (see paragraphs BC18–BC27); and

(b) have an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards (see paragraphs BC28–BC31).

Subsidiaries without public accountability

BC18 Only a subsidiary without public accountability is permitted to apply IFRS 19, as set out in paragraph 7(a)–(b) of IFRS 19, consistent with the proposals in the Exposure Draft.

BC19 In the project's research phase, the IASB investigated using the disclosure requirements in the *IFRS for SMEs* Accounting Standard with only minimal amendments to develop a new Standard. The *IFRS for SMEs* Accounting Standard is intended for entities without public accountability, and the IASB developed the new Standard with the intention that it would be available only for subsidiaries without public accountability (see paragraph 7(b) of IFRS 19). The Exposure Draft included the description of public accountability from paragraphs 1.3–1.4 of the *IFRS for SMEs* Accounting Standard.

BC20 The IASB discussed the description of public accountability as part of its deliberations on the second comprehensive review of the *IFRS for SMEs* Accounting Standard. It decided the description should list banks, credit unions, insurance companies, securities brokers/dealers, mutual funds and investment banks as examples of entities that often meet the second criterion of public accountability, by holding assets in a fiduciary capacity for a broad group of outsiders as one of their primary businesses; this was a change from the previous description, which stated that most entities in these categories would meet the second criterion. The amended description is reflected in paragraph 11(b) of IFRS 19 and will also be in the forthcoming third edition of the *IFRS for SMEs* Accounting Standard.

BC21 Many respondents to the Exposure Draft suggested widening the scope of the draft Standard to allow more entities to apply IFRS 19, consistent with the dissenting opinion expressed on the Exposure Draft. However, respondents' views varied on how to widen the scope. Some respondents agreed with the proposed scope but suggested the IASB consider widening it at a later stage—for example, after IFRS 19 has been implemented.

BC22 The IASB considered whether to permit other types of SMEs (that is, other entities without public accountability), such as joint ventures and associates, or all SMEs to apply IFRS 19. Stakeholders provided several arguments in favour of expanding the proposed scope of the draft Standard, including:

(a) other types of SMEs, like joint ventures and associates without public accountability, might benefit in the same way as subsidiaries from applying IFRS 19 because, in most cases, they also provide information to investors. If it had a wider scope, IFRS 19 would also allow these SMEs to avoid disclosure requirements that are not intended to meet the information needs of users of SMEs' financial statements and thus reduce costs.

(b) permitting other types of SMEs to apply IFRS 19 could encourage more SMEs to apply IFRS Accounting Standards. Furthermore, in a jurisdiction that does not permit the *IFRS for SMEs* Accounting Standard to be applied, applying IFRS 19 instead of local generally accepted accounting principles (GAAP) might enable an entity to reduce its cost of capital.

(c) although the IASB's aim was to reduce costs for subsidiaries without public accountability, other entities that meet the description of SMEs could also benefit from reduced costs. For example, an SME that, in the medium or long term, planned to issue debt or equity instruments to be traded in a public market might also prefer to apply IFRS Accounting Standards instead of local GAAP or the *IFRS for SMEs* Accounting Standard.

(d) if the IASB were to permit all SMEs to apply IFRS Accounting Standards with reduced disclosure requirements, the IASB might be able to develop a more simplified version of the *IFRS for SMEs* Accounting Standard.

(e) if the IASB were to permit all SMEs to apply IFRS 19, jurisdictions would have more options for financial reporting. For example, some jurisdictions that have developed local GAAP requirements based on IFRS Accounting Standards with reduced disclosure requirements for all SMEs could use IFRS 19 to replace their local GAAP requirements. Other jurisdictions could require some types of SMEs to apply IFRS Accounting Standards (including IFRS 19) while requiring other types of SMEs to apply the *IFRS for SMEs* Accounting Standard.

BC23 After considering the arguments, both before and after publishing the Exposure Draft, the IASB decided against expanding the scope of IFRS 19 at this stage because:

(a) the scope of IFRS 19 was consistent with the IASB's research based on stakeholders' specific requests for reduced disclosure requirements for subsidiaries with a parent that presents consolidated financial statements that comply with IFRS Accounting Standards.

(b) when the IASB developed the *IFRS for SMEs* Accounting Standard, it considered both the needs of users of SMEs' financial statements and the resources available to SMEs to apply that Standard (see paragraph BC47 of the Basis for Conclusions on the *IFRS for SMEs* Accounting Standard). The limits on resources of subsidiaries are, in most cases, different from the limits on resources of other types of SMEs, so a cost–benefit assessment suitable for subsidiaries would not necessarily apply to entities with different resource constraints.

(c) the IASB's project is intended to address cost–benefit considerations for a subset of SMEs—subsidiaries without public accountability—arising from their particular circumstances (as discussed in paragraph BC2). Consequently, when the project was added to the IASB's research pipeline, it investigated an approach with those SMEs in mind.

(d) a subsidiary with a parent that prepares consolidated financial statements applying IFRS Accounting Standards is required by its parent to provide information in accordance with those Standards. This requirement is not driven by the information needs of users of the subsidiary's financial statements; it is driven by the reporting requirements of the parent. These subsidiaries are therefore set apart from entities that choose to apply IFRS Accounting Standards. Other entities making this choice would normally do so based on the information needs of users of their financial statements and will have balanced the cost of applying IFRS Accounting Standards, including the costs of increased disclosure requirements, with the benefits of providing users with the information they require to make investment decisions. Therefore, it would be inappropriate to offer reduced disclosure requirements for those other entities.

(e) paragraph BC163 of the Basis for Conclusions on the *IFRS for SMEs* Accounting Standard explains that the IASB heard some SMEs do not have internal accounting resources or the resources to hire accounting advisers on an ongoing basis. This limit on resources influenced the IASB's decision to update the *IFRS for SMEs* Accounting Standard periodically. Amendments to the *IFRS for SMEs* Accounting Standard are not typically expected to be more frequent than approximately once every three years and will usually happen only after a comprehensive review to provide SMEs with a stable platform because the *IFRS for SMEs* Accounting Standard will have long periods without changes. This process appears to be working well for SMEs but would be unsuitable for eligible subsidiaries. Eligible subsidiaries would want to apply changes to the requirements in IFRS Accounting Standards for their own financial statements at the same time as their parent. This timing would avoid the need to maintain additional accounting records: the subsidiaries would not want a delayed effective date. If the scope of IFRS 19 were extended to all SMEs, the IASB might receive requests from SMEs other than eligible subsidiaries for a delay in the effective date of changes to the requirements in IFRS Accounting Standards.

(f) if IFRS 19 were available to all SMEs instead of being restricted to eligible subsidiaries, it could be seen as an alternative to the *IFRS for SMEs* Accounting Standard more generally. For example, permitting all SMEs to apply IFRS 19 might result in some jurisdictions permitting IFRS 19 to be applied and not permitting the *IFRS for SMEs* Accounting Standard to be applied. Alternatively, permitting all SMEs to apply IFRS 19 might result in some lenders or investors requiring financial statements to be prepared applying IFRS 19 because they perceive it to be superior to the *IFRS for SMEs* Accounting Standard. However, applying IFRS Accounting Standards with IFRS 19 could be more costly for some SMEs than applying the *IFRS for SMEs* Accounting Standard because IFRS Accounting Standards do not include the recognition and measurement simplifications designed for SMEs.

(g) expanding the scope of IFRS 19 to include associates or joint ventures might be reasonable based on the principle that these types of entities could, like subsidiaries, be required to prepare information in accordance with IFRS Accounting Standards for the purposes of investors' financial statements. However, some entities might not currently prepare information in accordance with IFRS Accounting Standards for their investors. Furthermore, whether an entity meets the definition of an associate or a joint venture is determined from the point of view of the investor instead of the investee, so it could be challenging for preparers to assess whether they were included in the scope of IFRS 19.

BC24 IFRS 19 is part of IFRS Accounting Standards and sets out a new approach that is yet to be tested. Having a well-defined group of eligible entities reduces ambiguity about which entities can apply IFRS 19, is consistent with the IASB's research, and allows time for the IASB and local authorities in jurisdictions to assess the effects of the new approach on a subset of SMEs before possibly considering whether to widen the scope of the Standard. The IASB therefore decided to finalise the scope as proposed in the Exposure Draft and set out in paragraph 7 of IFRS 19, and to review at a later date whether to widen the scope. Application of IFRS 19 is voluntary, so only eligible subsidiaries that have assessed the benefits as exceeding the costs will opt to apply it. Early experiences of entities applying IFRS 19 will provide information that can be used when, in the future, the IASB reviews the scope of the Standard.

Assessment at the end of the reporting period

BC25 Only a subsidiary without public accountability at the end of its reporting period (see paragraph 7 of IFRS 19) can apply IFRS 19 in its financial statements for that reporting period. The IASB considered other approaches, such as permitting an entity to apply IFRS 19 if the entity were a subsidiary at the start of, or at any time during, the reporting period.

BC26 If the IASB were to permit an entity to apply IFRS 19 because it was a subsidiary at the start of, or at any time during, its reporting period, it follows that an entity that stopped being a subsidiary near the end of its reporting period would remain eligible to apply IFRS 19 for that reporting period. This approach would allow more time for the subsidiary to make any necessary changes to its financial reporting systems before it stopped being eligible to apply IFRS 19. However, in the IASB's view, a transaction resulting in an entity no longer being a subsidiary would usually have been planned for some time, so the parent would have had sufficient time to communicate its intention to the eligible subsidiary. Timely communication means the eligible subsidiary would be able to make any necessary changes to its reporting systems and processes. An entity that is no longer a subsidiary would not, for this reason, stop being eligible to apply IFRS Accounting Standards. The additional burden of work arising from no longer being eligible to apply IFRS 19 would, therefore, relate only to preparing additional disclosures, not to any changes in the presentation, recognition or measurement requirements in IFRS Accounting Standards. Moreover, if the entity had expected to remain an eligible subsidiary at the end of its reporting period, it would also have anticipated preparing information for its parent to disclose in consolidated financial statements for the period.

BC27 The IASB also considered the alternative approach of relaxing the requirements—for example, by allowing an entity to apply IFRS 19 if it was a subsidiary until a specified amount of time before the end of its reporting period, or for the majority of its reporting period. In the IASB's view, there would be no clear or justifiable basis for defining such a threshold. Having a simple condition based on the reporting date was viewed as the clearest way of defining this limitation on the population of entities eligible to apply IFRS 19.

Parent that produces consolidated financial statements that comply with IFRS Accounting Standards

BC28 IFRS 19 is available only to subsidiaries of a parent that produces consolidated financial statements that comply with IFRS Accounting Standards. This eligibility is set out in paragraph 7(c) of IFRS 19, which is based on the requirements in paragraph 4(a)(iv) of IFRS 10 *Consolidated Financial Statements*. For example, if a subsidiary without public accountability, Entity A, is also a parent and neither its ultimate parent nor any intermediate parent produces consolidated financial statements applying IFRS Accounting Standards, Entity A would not meet the requirements for the exemption in paragraph 4(a) of IFRS 10. Entity A would therefore be required to prepare consolidated financial statements. If these consolidated financial statements are prepared applying IFRS Accounting Standards and available for public use, then subsidiaries of Entity A that do not have public accountability are eligible to apply IFRS 19.

BC29 Restricting the scope of IFRS 19 to subsidiaries of a parent that produces consolidated financial statements that comply with IFRS Accounting Standards is consistent with stakeholder feedback about the need for reduced disclosure requirements for such subsidiaries. One of the IASB's aims in the project was to reduce costs for subsidiaries without public accountability that report for consolidation purposes to a parent applying IFRS Accounting Standards. If a parent applies different GAAP to its various subsidiaries, those subsidiaries would fail to benefit from one of the two sources of cost saving available to eligible subsidiaries—the benefit of maintaining only one set of accounting records for the purpose of recognition and measurement that could be used for both its own reporting as well as group reporting. To fulfil the project objective, the IASB decided to limit the scope of IFRS 19 to subsidiaries whose parent produces consolidated financial statements that comply with IFRS Accounting Standards.

BC30 Some respondents to the Exposure Draft said limiting the scope of IFRS 19 to entities without public accountability that are subsidiaries of a parent that produces consolidated financial statements that comply with IFRS Accounting Standards is based on an expectation that the disclosures required by IFRS Accounting Standards about the subsidiary's activities would be available in the parent's consolidated financial statements. However, this assertion is not necessarily true because:

(a) the principles the IASB used to develop the disclosure requirements in IFRS 19 are the same principles it used when originally developing the disclosure requirements in the *IFRS for SMEs* Accounting Standard—those principles do not assume that consolidated financial statements would be available;

(b) the financial statements of subsidiaries should be 'stand alone'—that is, they must provide users with all the information they need without those users having to consult the parent's consolidated financial statements; and

(c) the parent's consolidated financial statements are prepared applying a materiality assessment appropriate for the group, whereas the subsidiary's financial statements are prepared applying a materiality assessment appropriate for that subsidiary.

BC31 The IASB also discussed feedback questioning whether the requirement in paragraph 7(c) of IFRS 19 for the parent's consolidated financial statements to be available for public use was too restrictive or difficult to understand. Although some respondents suggested it would be helpful to explain the meaning of 'available for public use', the IASB decided that because the phrase is already in use in other IFRS Accounting Standards adding guidance in relation only to IFRS 19 could have unintended consequences. Moreover, the IASB noted that removing this requirement would expand the scope of IFRS 19, which would arguably be inconsistent with the IASB's decision to make it available, in the first instance, only to a limited population of entities.

Developing the disclosure requirements

BC32 As described in paragraph BC8, the IASB originally decided to develop the disclosure requirements for subsidiaries without public accountability using the disclosure requirements in the *IFRS for SMEs* Accounting Standard with only minimal amendments. The disclosure requirements in the *IFRS for SMEs* Accounting Standard are based on IFRS Accounting Standards, with appropriate omissions and changes to reflect the information needs of users of the financial statements of SMEs. As explained in paragraph BC5, eligible subsidiaries are a subset of entities within the scope of the *IFRS for SMEs* Accounting Standard. The IASB could be satisfied that the disclosure requirements in that Standard would meet the needs of users of the financial statements of subsidiaries without public accountability. This approach avoided the IASB repeating work it had already completed when developing the disclosure requirements in the *IFRS for SMEs* Accounting Standard.

BC33 In developing the *IFRS for SMEs* Accounting Standard, the IASB acknowledged it was difficult to assess the disclosure requirements to include in that Standard. In developing the Exposure Draft and then IFRS 19, the IASB was guided by the six broad principles it used for the disclosure requirements in the *IFRS for SMEs* Accounting Standard:

(a) users of the financial statements of eligible subsidiaries are particularly interested in information about short-term cash flows and about obligations, commitments or contingencies, whether or not they are recognised as liabilities.

(b) users of the financial statements of eligible subsidiaries are particularly interested in information about liquidity and solvency.

(c) information on measurement uncertainties is important for eligible subsidiaries.

(d) information about an entity's accounting policy choices is important for eligible subsidiaries.

(e) disaggregations of amounts presented in eligible subsidiaries' financial statements are important for an understanding of those statements.

(f) some disclosures in IFRS Accounting Standards are more relevant to investment decisions in public capital markets than to the transactions and other events and conditions encountered by typical eligible subsidiaries.

BC34 In developing the *IFRS for SMEs* Accounting Standard, the IASB applied the principles described in paragraph BC33 and excluded those disclosure requirements in IFRS Accounting Standards that:

(a) related to a topic omitted from the *IFRS for SMEs* Accounting Standard—for example, interim financial reporting in IAS 34 *Interim Financial Reporting*;

(b) related to an option omitted from the *IFRS for SMEs* Accounting Standard—for example, the optional revaluation model in IAS 38 *Intangible Assets*;

(c) related to recognition and measurement principles that have been simplified in the *IFRS for SMEs* Accounting Standard—for example, that Standard requires all borrowing costs to be recognised as expenses whereas IAS 23 *Borrowing Costs* requires some to be recognised as part of the cost of a qualifying asset; or

(d) were unnecessary to meet the needs of users of the financial statements of SMEs or to address cost–benefit concerns.

BC35 The reasons for excluding disclosure requirements from the *IFRS for SMEs* Accounting Standard set out in paragraph BC34 do not generally apply in the case of IFRS 19 because IFRS 19 includes all the topics in IFRS Accounting Standards without omitting options or changing recognition and measurement requirements.

BC36 In the research phase, the IASB investigated whether it could develop an IFRS Accounting Standard using the disclosure requirements in the *IFRS for SMEs* Accounting Standard and concluded that a new Standard could be developed with minimal amendments to those requirements (see paragraph BC8). Consequently, in developing the Exposure Draft, for topics for which the recognition and measurement requirements of the *IFRS for SMEs* Accounting Standard and IFRS Accounting Standards were the same, the IASB used the disclosure requirements from the *IFRS for SMEs* Accounting Standard. For topics for which the recognition and measurement requirements differed, the IASB applied the same principles it used in developing the disclosure requirements for the *IFRS for SMEs* Accounting Standard to the disclosure requirements in IFRS Accounting Standards.

BC37 Although stakeholders expressed support for the IASB's approach to developing the proposed disclosure requirements, there was also some confusion about why the IASB had made use of the disclosure requirements in the *IFRS for SMEs* Accounting Standard. The IASB agreed it needed to clarify the relationship between IFRS 19 and the *IFRS for SMEs* Accounting Standard and explain how IFRS 19 would be maintained (see paragraphs BC108–BC113).

BC38 The IASB confirmed that applying the principles described in paragraph BC33 was important and noted that if it had started with IFRS Accounting Standards, instead of with the *IFRS for SMEs* Accounting Standard, and applied these principles to the disclosure requirements, it arguably would have resulted in the same or similar proposals to those set out in the Exposure Draft. Making use of the disclosure requirements in the *IFRS for SMEs* Accounting Standard was an efficient use of resources because the IASB re-used work it had completed when it developed that Standard.

BC39 The IASB updated its approach to developing the disclosure requirements for IFRS 19, as discussed in paragraph BC15. The IASB also confirmed that in developing the reduced disclosure requirements it applied the principles and assessed costs and benefits. For the development of IFRS 19, these costs and benefits are assessed based on the needs of users of the financial statements of eligible subsidiaries (as a subset of SMEs).

BC40 Some respondents to the Exposure Draft were concerned that the information needs of users of SMEs' financial statements were different from those of users of subsidiaries' financial statements. When the IASB added the project to its research pipeline, it assumed that subsidiaries eligible to apply any future Standard from the project would also be eligible to apply the *IFRS for SMEs* Accounting Standard. This eligibility meant the IASB had already completed the work necessary to confirm that the disclosure requirements satisfy the information needs of users of the financial statements of subsidiaries without public accountability without assuming these would be the same as for users of other SMEs' financial statements.

If recognition and measurement requirements were the same in the *IFRS for SMEs* Accounting Standard and IFRS Accounting Standards

BC41 The IASB decided that for topics for which the recognition or measurement requirements were the same in both Standards, the disclosure requirements in the *IFRS for SMEs* Accounting Standard—which had been based on those in IFRS Accounting Standards—would be used in IFRS 19 subject to updating the language for consistency with other IFRS Accounting Standards (see paragraph BC46). As discussed in paragraph BC5, subsidiaries eligible to apply IFRS 19 are also eligible to apply the *IFRS for SMEs* Accounting Standard.

BC42 For some topics, disclosure requirements differed between IFRS Accounting Standards and the *IFRS for SMEs* Accounting Standard even when the recognition and measurement requirements relating to that topic were the same. For example, the IASB decided to exclude some disclosure requirements from the *IFRS for SMEs* Accounting Standard for cost–benefit reasons or because they were unnecessary to meet the needs of users of the SMEs' financial statements. In these cases, it is possible that an assessment of user needs or cost–benefit matters would produce a different outcome for eligible subsidiaries—for instance, because the availability of information could differ significantly between subsidiaries and SMEs that are stand-alone entities. For topics for which feedback on the Exposure Draft suggested a different outcome might apply, the IASB revisited the assessment in respect of IFRS 19. The IASB then considered whether changes to the proposed disclosure requirements in IFRS 19 were merited even though they might introduce a change from the disclosure requirements in the *IFRS for SMEs* Accounting Standard, and despite the two Standards having the same recognition and measurement requirements. The expectation was that such changes would occur infrequently because both IFRS 19 and the *IFRS for SMEs* Accounting Standard contain disclosure requirements that are based on IFRS Accounting Standards assessed against the same principles for reducing disclosure requirements.

BC43 Differences between the disclosure requirements in IFRS Accounting Standards and those in the *IFRS for SMEs* Accounting Standard also exist because of differences in the timing of when new or amended disclosure requirements were introduced in these Standards. These timing differences are a natural consequence of how the Standards are maintained. The *IFRS for SMEs* Accounting Standard is updated periodically following a comprehensive review whereas projects to update IFRS Accounting Standards are added as necessary to the IASB's work plan.

If recognition and measurement requirements in the *IFRS for SMEs* Accounting Standard and IFRS Accounting Standards differed

BC44 If recognition and measurement requirements in the *IFRS for SMEs* Accounting Standard differed from those in IFRS Accounting Standards, it was necessary for the IASB to develop disclosure requirements directly from IFRS Accounting Standards for the scenarios described in paragraph BC34, namely for:

(a) topics or options omitted from the *IFRS for SMEs* Accounting Standard. For example, the IASB added disclosure requirements for entities applying the revaluation model in IAS 38 because the *IFRS for SMEs* Accounting Standard does not include that accounting policy option and, therefore, includes no related disclosure requirements.

(b) recognition or measurement requirements in IFRS Accounting Standards that were simplified for the *IFRS for SMEs* Accounting Standard. For example, Section 28 *Employee Benefits* of the *IFRS for SMEs* Accounting Standard contains a simplified method for measuring obligations under defined benefit plans if an SME is unable, without undue cost or effort, to use the projected unit credit method. Section 28 also requires some disclosures by an entity that has used the simplified method. This method is unavailable to entities applying IFRS Accounting Standards, and so the IASB excluded the related disclosure requirements when developing IFRS 19.

BC45 To determine the disclosure requirements for topics or accounting policy options omitted from the *IFRS for SMEs* Accounting Standard, the IASB started with the disclosure requirements for each of those topics or accounting policy options in IFRS Accounting Standards. The IASB then applied the principles set out in paragraph BC33 to determine whether and how to develop reduced disclosure requirements for eligible subsidiaries.

Aligning language with other IFRS Accounting Standards

BC46 The proposals in the Exposure Draft included the disclosure requirements from the *IFRS for SMEs* Accounting Standard for topics for which the recognition and measurement requirements were the same. However, in some cases, the language used in the *IFRS for SMEs* Accounting Standard differed from that in IFRS Accounting Standards because it had been simplified for the purposes of the *IFRS for SMEs* Accounting Standard. After considering feedback on the Exposure Draft, the IASB decided the language used in IFRS 19 should match that in other IFRS Accounting Standards, to reflect the fact that IFRS 19 is part of IFRS Accounting Standards. The disclosure requirements in IFRS 19 have, for this reason, been updated to use the language from IFRS Accounting Standards with minor editorial changes.

Presentation versus disclosure requirements

BC47 In some IFRS Accounting Standards, presentation and disclosure requirements are combined. Furthermore, in some instances, the term 'disclosure' includes items presented in the primary financial statements or is used where an IFRS Accounting Standard provides a choice between presenting information in the primary financial statements or disclosing it in the notes. In developing IFRS 19, the IASB focused on disclosure requirements that are appropriate for eligible subsidiaries. This approach included taking presentation requirements to mean requirements for information to be included in the primary financial statements, and disclosure requirements to mean those related to information included in the notes. The IASB also decided to treat as disclosure requirements those requirements that offer preparers a choice about whether information is presented in the primary financial statements or disclosed in the notes.

BC48 The IASB concluded that any requirements in IFRS Accounting Standards to provide comparative information in an entity's primary financial statements (such as the requirements in paragraph 21 of IFRS 1 *First-time Adoption of International Financial Reporting Standards*) would be treated as being part of presentation requirements instead of disclosure requirements. In contrast, a requirement to provide comparative information when disclosing information in the notes would be a disclosure requirement and thus would be considered within the scope of IFRS 19.

BC49 The IASB recognised there could be some practical difficulty with interpreting the statement in IFRS 19 that requirements in IFRS Accounting Standards other than disclosure requirements continue to apply to subsidiaries applying IFRS 19. For some IFRS Accounting Standards, a paragraph is included in IFRS 19 to clarify disclosures in paragraphs in those Standards that also contain other disclosure requirements and that remain applicable to entities applying IFRS 19. The requirements under the subheading in IFRS 19 for each IFRS Accounting Standard also clarify the treatment of disclosure requirements that arise from a choice of presenting items in the primary financial statements (usually treated as a presentation requirement) or disclosing them in the notes.

Disclosure objectives

BC50 Some IFRS Accounting Standards contain disclosure objectives followed by disclosure requirements designed to satisfy those objectives. A disclosure objective is sometimes accompanied by an explicit requirement for a preparer to consider whether additional information beyond that specifically included in the disclosure requirements would be needed to satisfy the disclosure objective. Disclosure objectives are regarded as being helpful for entities in achieving a fair presentation. However, in considering the design of disclosure objectives, the IASB decided that including such objectives in IFRS 19 might result in the perception that entities are required to provide the same disclosures they would otherwise have provided had they not applied IFRS 19. Such an outcome would be contrary to the project objective. Consequently, the IASB decided to exclude disclosure objectives from IFRS 19.

BC51 IFRS Accounting Standards do not always indicate clearly which requirements constitute a disclosure objective. In some IFRS Accounting Standards, a requirement is described as an objective but includes specific disclosure requirements. In other cases, a very general requirement is specified, followed by details of how such a requirement might be satisfied. For this latter category, the general requirements are treated as disclosure objectives and excluded from IFRS 19, with the more specific disclosure requirements that follow those general requirements included as appropriate.

BC52 The IASB's approach to the maintenance of IFRS 19 means that when a new or amended IFRS Accounting Standard becomes effective, there could be periods during which new disclosure objectives are added and will apply to eligible subsidiaries, notwithstanding the general principle of not including disclosure objectives in IFRS 19. This issue is expected to be temporary because of the approach to maintaining IFRS 19 described in paragraphs BC108–BC113. The approach means that for new or amended IFRS Accounting Standards issued between February 2021 and May 2024, the disclosure requirements have not yet been reviewed against the principles in paragraph BC33 and might include disclosure objectives. As described in paragraph BC113, the IASB will review the disclosure requirements and amend IFRS 19 as appropriate to permit reduced disclosures. 1 In the future, the IASB will issue amendments to IFRS 19 at the same time as it issues new or amended disclosure requirements in other Standards.

Guidance

BC53 The disclosure requirements in IFRS Accounting Standards are sometimes accompanied by guidance on how to satisfy those requirements, either in paragraphs accompanying the disclosure requirements or in a separate section of application guidance or implementation guidance. In feedback on the Exposure Draft, some preparers said they found this guidance helpful. The IASB considered this feedback and discussed whether to reproduce some or all of the guidance in IFRS 19. The IASB decided that reproducing the guidance would be inappropriate because it could hinder readability of IFRS 19, removing one of the benefits of a reduced disclosure standard. In making this decision, the IASB considered listing cross-references to all applicable guidance but agreed this would add an unnecessary level of detail because preparers would need to refer to individual Standards to access the relevant guidance. The IASB noted that the disclosure requirements in IFRS 19 are based on those in other IFRS Accounting Standards. Therefore, any relevant guidance in other IFRS Accounting Standards is also available to subsidiaries applying IFRS 19.

The structure of IFRS 19

BC54 The disclosure requirements in IFRS 19 are organised into subsections relating to each IFRS Accounting Standard. A subsidiary applying IFRS 19 will apply an IFRS Accounting Standard to a transaction, other event or condition and then apply the disclosure requirements set out under the subheading of that IFRS Accounting Standard in IFRS 19. For example, the disclosure requirements for inventories are set out under the subheading 'IAS 2 *Inventories*'. There are no subsections for IFRS Accounting Standards that do not include disclosure requirements or for those that are not required or are unavailable for use by eligible subsidiaries.

BC55 The Exposure Draft included an appendix that listed, by IFRS Accounting Standard, disclosure requirements from those Standards that did not apply to entities electing to apply IFRS 19. Feedback on the usefulness of this appendix was mixed and, in redeliberations, the IASB's views were mixed. Some IASB members said it would be helpful if preparers could continue to see which disclosure requirements did not apply, to avoid the need for them to look between two IFRS Accounting Standards. Other IASB members, however, argued that the requirements in IFRS Accounting Standards are typically presented in a positive way and that listing disclosures that were not required would be misleading in the light of the more general requirement in paragraph 6 of IFRS 19 to provide additional disclosures as necessary to ensure fair presentation. On balance, the IASB decided to remove the appendix.

BC56 The IASB decided to include within each subsection both the IFRS 19 reduced disclosure requirements and the requirements from the relevant IFRS Accounting Standard that remain applicable. This approach replaces the proposed footnotes used in the Exposure Draft and allows preparers to see easily the full extent of required disclosures relating to each IFRS Accounting Standard.

BC57 The disclosure requirements in IFRS Accounting Standards that remain applicable are specified under the subheading of each IFRS Accounting Standard. Examples of disclosure requirements that continue to apply include disclosure requirements:

(a) that should be easier for preparers to consider *in situ* because the paragraphs that follow them contain requirements about their application;

(b) embedded in paragraphs that include recognition, measurement or presentation requirements; and

(c) that use the term 'disclosure' in a broad sense, encompassing items presented in the primary financial statements.

Specific disclosure requirements

Topics that gave rise to detailed discussion

BC58 The IASB developed the disclosure requirements in IFRS 19 applying the approach described in paragraphs BC32–BC53. This approach gave rise to detailed discussion about some topics.

BC59 As described in paragraph BC32, the IASB's approach in developing the Exposure Draft was to use the disclosure requirements in the *IFRS for SMEs* Accounting Standard as a starting point. The *IFRS for SMEs* Accounting Standard is updated periodically and therefore has not been updated for some new and amended IFRS Accounting Standards. The modification of the approach between the Exposure Draft and IFRS 19 means the direct link between the disclosure requirements in IFRS 19 and those in IFRS Accounting Standards can be clearly observed.

BC60 The topics that gave rise to detailed discussion were:

(a) statement of compliance (see paragraphs BC61–BC63);

(b) discontinued operations (IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*) (see paragraph BC64);

(c) exploration for and evaluation of mineral resources (IFRS 6 *Exploration for and Evaluation of Mineral Resources*) (see paragraphs BC65–BC66);

(d) financial instruments (IFRS 7 *Financial Instruments: Disclosures*) (see paragraphs BC67–BC69);

(e) operating segments and earnings per share (IFRS 8 *Operating Segments* and IAS 33 *Earnings per Share*) (see paragraphs BC70–BC71);

(f) investment entities (IFRS 12 *Disclosure of Interests in Other Entities*) (see paragraphs BC72–BC74);

(g) fair value measurement (IFRS 13 *Fair Value Measurement*) (see paragraphs BC75–BC76);

(h) revenue from contracts with customers (IFRS 15 *Revenue from Contracts with Customers*) (see paragraphs BC77–BC78);

(i) leases (IFRS 16 *Leases*) (see paragraphs BC79–BC80);

(j) insurance contracts (IFRS 17 *Insurance Contracts*) (see paragraphs BC81–BC83);

(k) changes in liabilities from financing activities (IAS 7 *Statement of Cash Flows*) (see paragraph BC84); and

(l) defined benefit obligations (IAS 19 *Employee Benefits*) (see paragraphs BC85–BC86).

Statement of compliance

BC61 The application of IFRS 19 is voluntary and the financial statements of a subsidiary applying IFRS Accounting Standards could be altered if it also elected to apply IFRS 19. The two alternative sets of financial statements would be unlikely to provide the same disclosures, but both sets of financial statements would comply with IFRS Accounting Standards.

BC62 In the IASB's view, disclosing that a subsidiary has applied IFRS 19 will provide useful information to users of the subsidiary's financial statements and will help with comparability. In the Exposure Draft, the IASB proposed that a subsidiary applying IFRS 19 be required to state that fact. The IASB also proposed that this statement be located with the statement required by paragraph 16 of IAS 1 *Presentation of Financial Statements* (now in paragraph 6B of IAS 8 *Basis of Preparation of Financial Statements*), which requires an entity to make an explicit and unreserved statement that its financial statements comply with IFRS Accounting Standards. 2

BC63 Some respondents to the Exposure Draft said the differences in disclosure requirements meant it would be impossible to provide two statements of compliance with one set of IFRS Accounting Standards. The IASB agreed and decided to require a subsidiary applying IFRS 19 to make a statement of compliance that it has applied IFRS Accounting Standards including IFRS 19.

Discontinued operations (IFRS 5)

BC64 The disclosure requirements relating to IFRS 5 were drawn from the disclosure requirements in the *IFRS for SMEs* Accounting Standard relating to situations in which there is a binding sale agreement for a major disposal. Applying the principles in paragraph BC33 and examining the recognition and measurement differences between IFRS 5 and the *IFRS for SMEs* Accounting Standard, the IASB decided to make it clear that the disclosure requirements from IFRS 5 remain applicable in respect of cash flows on the disposal of a discontinued operation and, where the entity reports segment information, in respect of disclosure of the IFRS 8 reportable segment in which the non-current asset or disposal group is presented.

Exploration for and evaluation of mineral resources (IFRS 6)

BC65 Paragraphs 23–25 of IFRS 6 set out disclosure requirements about the amounts recognised in financial statements arising from the exploration for and evaluation of mineral resources. Paragraph 25 of IFRS 6 requires exploration and evaluation assets to be disclosed as a separate class of assets. The IASB excluded this requirement from the *IFRS for SMEs* Accounting Standard because, as explained in the Basis for Conclusions on that Standard, it would be difficult to include industry-specific guidance and, at the same time, keep it user-friendly for 'simple SMEs'.

BC66 In developing the disclosure requirements in IFRS 19, the IASB decided this reasoning does not necessarily apply to eligible subsidiaries and that, in relation to paragraph 25 of IFRS 6, using the disclosure requirements of the *IFRS for SMEs* Accounting Standard would be an inappropriate starting point for disclosures relating to exploration and evaluation activities. In the IASB's view, disclosing exploration and evaluation assets as a separate class of assets would be useful to users of eligible subsidiaries' financial statements. Consequently, the IASB decided to include paragraph 25 of IFRS 6 in IFRS 19 (see paragraph 41 of IFRS 19).

Financial instruments (IFRS 7)

BC67 In the Exposure Draft, the IASB proposed disclosure requirements for financial instruments. In developing these proposals, the IASB took into consideration some of the improvements made to the disclosure requirements in IFRS 7 that had not been reflected in the *IFRS for SMEs* Accounting Standard. The IASB concluded that users of eligible subsidiaries' financial statements would benefit from those improved disclosure requirements and that the proposed disclosure requirements were supported by the principles for reducing disclosure requirements described in paragraph BC33. The disclosure requirements in IFRS 19 were intended to have the same scope as those in IFRS 7, as stated in paragraph 42 of IFRS 19.

BC68 Feedback on the Exposure Draft included suggestions to remove some of the proposed disclosure requirements for financial instruments and to add other disclosure requirements. The IASB considered each of these suggestions with reference to the principles for reducing disclosure requirements and made some changes to the proposals.

BC69 One topic for which the IASB made changes to the proposed disclosure requirements related to which entities would be required to provide some of the disclosures relating to credit risk. Some respondents to the Exposure Draft said the proposed disclosure requirements were onerous and disproportionate to the needs of users of most eligible subsidiaries' financial statements. The IASB agreed that for many eligible subsidiaries the requirements might be excessive. The IASB also noted that for some types of eligible subsidiaries—for example, non-bank lenders—the disclosure requirements would provide users with useful information. For this part of IFRS 19 only, the IASB decided to apply a reduced scope, so that paragraphs 69–71 of IFRS 19 are applicable only to eligible subsidiaries that provide financing to customers as a main business activity, as described in IFRS 18 *Presentation and Disclosure in Financial Statements*.

Operating segments and earnings per share (IFRS 8 and IAS 33)

BC70 Because of the scope of IFRS 8, a subsidiary permitted to apply IFRS 19 is not required to apply IFRS 8. However, paragraph 3 of IFRS 8 permits an entity that is not required to apply IFRS 8 to disclose information about segments that does not comply with IFRS 8. In such circumstances, IFRS 8 prohibits the entity from describing that information as segment information. The IASB decided IFRS 19 should, in this regard, be consistent with the *IFRS for SMEs* Accounting Standard, which requires an entity to describe the basis for preparing and presenting such information (see paragraph 276 of IFRS 19). The IASB also decided to include in IFRS 19 the requirement in paragraph 3 of IFRS 8 prohibiting an entity from describing information as segment information if that information does not comply with IFRS 8. IFRS 19 does not offer an exemption from the disclosure requirements of IFRS 8 for a subsidiary choosing to apply IFRS 8. In other words, a subsidiary applying IFRS 19 could apply IFRS 8 and, if so, would be required to apply the related disclosure requirements in that Standard.

BC71 Similarly, a subsidiary permitted to apply IFRS 19 is not required to apply IAS 33. A subsidiary applying IFRS 19 might, however, choose to disclose earnings per share. Paragraph 3 of IAS 33 states that if an entity discloses earnings per share it shall calculate and disclose earnings per share by applying that Standard. The IASB therefore considered whether to include disclosure requirements in IFRS 19 if a subsidiary discloses earnings per share. The IASB concluded that if a subsidiary applying IFRS 19 has determined that disclosing earnings per share is relevant to users of its financial statements, the related disclosures are also relevant. Consequently, the IASB decided not to include disclosure requirements in IFRS 19 for a subsidiary that chooses to disclose earnings per share nor to exempt an entity from the IAS 33 disclosure requirements. If a subsidiary applying IFRS 19 were to choose to disclose earnings per share in its financial statements, it would be required to apply the disclosure requirements in IAS 33.

Investment entities (IFRS 12)

BC72 In developing the proposed requirements relating to IFRS 12 in the Exposure Draft, the IASB took into consideration the difference between IFRS 10, which requires investment entities to measure their investment in subsidiaries at fair value through profit or loss, and the *IFRS for SMEs* Accounting Standard, which does not include such a requirement.

BC73 In 2012, when the IASB amended IFRS 10 to require investment entities to measure their investments in subsidiaries at fair value through profit or loss, it also amended IFRS 12. At that time, the IASB considered whether all the disclosure requirements in IFRS 12 should apply to investments in unconsolidated subsidiaries, associates and joint ventures of investment entities and concluded that only some of those requirements should apply. The IASB added new paragraphs 19A–19G to IFRS 12, which set out disclosure requirements for investment entities under the heading *Interests in unconsolidated subsidiaries (investment entities)*.

BC74 IFRS 12 includes disclosure requirements for interests in both consolidated and unconsolidated structured entities, with separate requirements for investment entities holding such interests. The IASB decided that for eligible subsidiaries applying IFRS 19, the disclosure requirements in IFRS 12 that provide information about an entity's obligations, commitments and cash flows will help users of the financial statements assess the liquidity and solvency of eligible subsidiaries (see paragraph BC33(a)–(b)). The IASB agreed the additional costs of providing the information required by paragraphs 14–15, 17, 19D(b), 19E, 19F, 25A, 30 and 31 of IFRS 12 would not be significant and would be outweighed by the expected benefits of this information and therefore decided to add these paragraphs, which had not been included in the Exposure Draft. The IASB expects that the information required to be disclosed will be readily available to eligible subsidiaries.

Fair value measurement (IFRS 13)

BC75 In the Exposure Draft, the IASB proposed including the requirements from paragraph 93(e)(i)–(ii) of IFRS 13 relating to recurring and non-recurring fair value measurements. The IASB also proposed not to include paragraph 95 of IFRS 13, which requires an entity to follow consistently its policy for determining when transfers between levels of the fair value hierarchy are deemed to have occurred. The IASB concluded this disclosure requirement was unnecessary because paragraph 13 of IAS 8 requires the consistent application of accounting policies. The additional requirement therefore appeared redundant.

BC76 Feedback on the proposed disclosure requirements relating to IFRS 13 in the Exposure Draft was mixed. Some respondents suggested adding requirements and some suggested removing requirements. Having considered the feedback, the IASB decided to retain the proposed requirements on fair value measurement, concluding that those requirements would provide useful information to users of eligible subsidiaries' financial statements. However, the IASB removed the proposed paragraph that was based on paragraph 94 of IFRS 13, replacing it with a cross-reference to that paragraph providing guidance on determining 'classes' for the purposes of the disclosure requirements in paragraph 95 of IFRS 19.

Revenue from contracts with customers (IFRS 15)

BC77 In developing the proposed disclosure requirements relating to IFRS 15 in the Exposure Draft, the IASB followed its agreed approach. Because Section 23 *Revenue* of the *IFRS for SMEs* Accounting Standard was not based on IFRS 15, there were topics for which the recognition and measurement requirements were different. Therefore, some of the disclosure requirements were based on IFRS 15 and amended by applying the principles for reducing disclosure requirements (see paragraph BC33), instead of being taken from the *IFRS for SMEs* Accounting Standard.

BC78 The disclosure requirements in IFRS 19 differ in some places from those in IFRS 15. The IASB, having decided to exclude disclosure objectives in IFRS 19 (see paragraph BC50), nonetheless added requirements that paragraph 110 of IFRS 15 describes as being necessary to meet that Standard's overall disclosure objective. The IASB did so because the requirements were important in their own right. Feedback also suggested that some qualitative disclosures—for instance, relating to methods and assumptions used to determine and allocate transaction price—would cause eligible subsidiaries to incur preparation costs that exceeded the benefit of the disclosures. The IASB therefore chose to exclude a number of these disclosures from IFRS 19.

Leases (IFRS 16)

BC79 In developing the proposed disclosure requirements for IFRS 16 in the Exposure Draft, the IASB based the disclosure requirements for lessors on those in the *IFRS for SMEs* Accounting Standard. For lessees, in cases in which the recognition and measurement requirements in the *IFRS for SMEs* Accounting Standard differed from those in IFRS 16, the disclosure requirements were based on IFRS 16 and amended by applying the principles for reducing disclosure requirements (see paragraph BC33).

BC80 Respondents were generally in favour of the disclosure requirements proposed in the Exposure Draft, although there was some feedback about disclosure requirements that are in IFRS 16 but were not proposed in the Exposure Draft. After discussing this feedback, the IASB decided to add more requirements in respect of variable lease payments, cash outflows on leases, and gains or losses on sale and leaseback transactions. The IASB also looked at the requirements for a maturity analysis of lease liabilities and decided to include a cross-reference to the similar requirements from IFRS 7 clarifying that the maturity analysis of lease liabilities is shown separately from the maturity analyses of other financial liabilities required by paragraph 72 of IFRS 19. The IASB also removed proposed requirements relating to covid-19-related rent concessions because by the effective date of IFRS 19 the disclosures would no longer be relevant—even the latest period benefitting from a covid-19-related rent concession would be unlikely to be included in financial statements, even in a comparative period.

Insurance contracts (IFRS 17)

BC81 The IASB considered whether to develop reduced disclosure requirements for IFRS 17. IFRS 17 became effective for periods beginning on or after 1 January 2023. The IASB took into account differing views on whether entities that issue insurance contracts within the scope of IFRS 17 would be publicly accountable and therefore ineligible to apply the future Standard.

BC82 The IASB found that some entities that issue insurance contracts within the scope of IFRS 17 could be eligible to apply IFRS 19. For example, a subsidiary that insures the risks only of its parent or its fellow subsidiaries (sometimes called a 'captive insurer'), and is not otherwise publicly accountable, might be eligible to apply IFRS 19. Similarly, some non-insurance entities that are permitted to apply IFRS 19 might issue insurance contracts within the scope of IFRS 17.

BC83 The IASB decided not to include reduced disclosure requirements for IFRS 17 at this stage. In reaching this decision, the IASB considered that:

(a) IFRS 17 introduces a model for accounting for insurance contracts that is supported by its disclosure requirements. If a subsidiary has insurance contracts in the early years of applying IFRS 17, the interests of users of its financial statements might be best served by full IFRS 17 disclosures of material information. Providing these disclosures should facilitate users' understanding of the new model for insurance accounting.

(b) Including reduced disclosure requirements only after entities have applied IFRS 17 for some time would allow users of financial statements to increase their familiarity with the new model for insurance accounting and its effect on an entity's financial statements, while allowing the IASB to assess the effectiveness of the disclosure requirements before proposing reduced disclosure requirements.

(c) the IASB had already discussed possible approaches to reducing the disclosure requirements associated with IFRS 17. Based on that initial analysis, the IASB concluded that if it were to include reduced disclosure requirements for entities that are issuers of insurance contracts within the scope of IFRS 17 and are permitted to apply IFRS 19, any such proposals would probably result in a limited reduction of the disclosure requirements in IFRS 17.

(d) the IASB's approach in developing the disclosure requirements for IFRS 19 takes account of the needs of users of financial statements (see paragraphs BC32–BC40). The IASB reasoned that although insurance regulators are not the primary users of financial statements (as described in the *Conceptual Framework for Financial Reporting*), the disclosures required by IFRS 17 might help insurance regulators in their enforcement activities, especially when IFRS 17 is first effective.

Changes in liabilities from financing activities (IAS 7)

BC84 The IASB decided to include in IFRS 19 a simplified version of the disclosure requirements from IAS 7 about changes in liabilities from financing activities (see paragraphs 44A–44E of IAS 7). In the IASB's view, the information that would be disclosed in accordance with those requirements was important to satisfy the need of users of eligible subsidiaries' financial statements to understand short-term cash flows.

Defined benefit obligations (IAS 19)

BC85 In developing the Exposure Draft, the IASB started with the disclosure requirements in paragraph 28.41 of the *IFRS for SMEs* Accounting Standard relating to disclosure requirements for an entity with defined benefit schemes, which require a reconciliation of the defined benefit obligation. In contrast, IAS 19 requires a reconciliation of the net defined benefit liability (asset) showing a separate reconciliation of the present value of the defined benefit obligation. IAS 19 also requires more detail about the reconciling items to be disclosed (see paragraphs 140–141 of IAS 19) than the *IFRS for SMEs* Accounting Standard. The IASB decided to propose requiring more reconciling items to be disclosed than required in the *IFRS for SMEs* Accounting Standard (see paragraphs 206–207 of IFRS 19). In the IASB's view, the additional disclosures would provide useful information to users of eligible subsidiaries' financial statements—such disaggregation is important in understanding the change in the present value of an entity's defined benefit obligations. Subject to an assessment of materiality, the more detailed reconciliation would also be required for group reporting purposes.

BC86 Respondents to the Exposure Draft specified other disclosure requirements in IAS 19 that they believed eligible subsidiaries should apply. Having considered this feedback in the context of the principles for reducing disclosure requirements, the IASB agreed to add requirements in respect of the reconciliation between the opening and closing net defined benefit liability (asset) and in respect of expected contributions to the plan in future periods, because these disclosures relate to users' need for information on short-term cash flows.

Transition to new or amended IFRS Accounting Standards

BC87 A new or amended IFRS Accounting Standard typically includes transition requirements that apply on initial application of that new or amended Standard. Occasionally, such transition requirements include disclosure requirements about an entity's transition to the new or amended Standard, which supplement the other disclosure requirements in that IFRS Accounting Standard. The disclosure requirements in these transition paragraphs also supplement, and sometimes replace, the disclosure requirements in IAS 8.

BC88 The IASB decided that disclosure requirements about the transition to new or amended IFRS Accounting Standards set out in those Standards also apply to entities that apply IFRS 19. Such requirements are specific to the related transition and are relevant only on initial application of that new or amended IFRS Accounting Standard.

BC89 IFRS 19 includes disclosure requirements from IAS 8 relating to changes in accounting policies. Paragraph 178 of IFRS 19 is equivalent to paragraph 28 of IAS 8 and applies when an entity changes its accounting policy as a result of the initial application of a new or amended IFRS Accounting Standard. As such, IFRS 19 includes consequential amendments about transition requirements in IFRS 17 and IFRS 18 and their interaction with the IAS 8 requirement to present comparative information (see Appendix C of IFRS 19).

Transition to and from IFRS 19

BC90 The topics the IASB considered on a subsidiary's transition to and from IFRS 19 included:

(a) whether IFRS 19 should contain transition requirements that apply when a subsidiary first applies IFRS 19 (see paragraphs BC91–BC95);

(b) whether a subsidiary should be permitted to re-apply IFRS 19 (see paragraphs BC96–BC98);

(c) what comparative information should be required if a subsidiary applies IFRS 19 in the current reporting period but did not apply IFRS 19 in the preceding period (see paragraphs BC99–BC100);

(d) what comparative information should be required if a subsidiary, applying IFRS Accounting Standards in the preceding and current periods, applied IFRS 19 in the preceding period but not in the current period (see paragraphs BC101–BC102);

(e) whether electing or revoking an election to apply IFRS 19 requires a subsidiary to apply IAS 8 (see paragraphs BC103–BC104); and

(f) whether and how electing or revoking an election to apply IFRS 19, or otherwise stopping the application of IFRS 19, affects a subsidiary's application of IFRS 1 (see paragraphs BC105–BC107).

Transition requirements included in IFRS 19

BC91 Paragraphs BC92–BC95 discuss how IFRS 19 relates to IFRS 1. Paragraphs BC106–BC107 discuss whether IFRS 19 should include transition requirements for a subsidiary that applied IFRS Accounting Standards in the preceding reporting period and applies IFRS 19 for the first time in the current period.

BC92 When such a subsidiary applies IFRS 19 for the first time, and in the preceding period its financial statements complied with IFRS Accounting Standards, its financial statements will contain fewer disclosures in the current period than in the preceding period. In this circumstance, the subsidiary might need to make changes to comparative information to be consistent with the information reported in the current period. The subsidiary will also disclose that it has applied IFRS 19.

BC93 In the circumstance set out in paragraph BC92, the subsidiary would have applied IFRS 1 in a previous period. Therefore, the IASB decided not to develop requirements in IFRS 19 for this circumstance.

BC94 In contrast, a subsidiary applying IFRS Accounting Standards for the first time (and therefore within the scope of IFRS 1) that elects to apply IFRS 19 would apply the requirements in paragraphs 21–30 of IFRS 19.

BC95 A special situation can arise if new or amended IFRS Accounting Standards are issued at a similar time to IFRS 19 and an eligible subsidiary chooses to apply IFRS 19 before its effective date, but not to apply other IFRS Accounting Standards until a later point. In particular, this situation might arise if an eligible subsidiary applies IFRS 19 in a period before it applies IFRS 18. Appendix B of IFRS 19 sets out the disclosure requirements that would apply in this situation.

Electing to re-apply IFRS 19

BC96 The application of IFRS 19 is voluntary for eligible subsidiaries. Accordingly, a subsidiary might elect to apply IFRS 19 and later revoke that election, or might stop being eligible to apply IFRS 19. The IASB considered whether such a subsidiary should be permitted in these situations to re-apply IFRS 19 in a future period, assuming the entity is an eligible subsidiary.

BC97 Permitting a subsidiary to apply IFRS 19 again after previously revoking that election could help some subsidiaries. An example would be a subsidiary that left a reporting group that prepared its consolidated financial statements applying IFRS Accounting Standards and moved to a group that did not do so. The subsidiary might seek to re-apply IFRS 19 if the new group were to adopt IFRS Accounting Standards in a later period.

BC98 The IASB noted that permitting subsidiaries to apply IFRS 19 again would be consistent with IFRS 1, which permits entities to apply that Standard more than once in some circumstances. The IASB also determined that the needs of users of financial statements would not be affected. Consequently, the IASB found no reason to prohibit subsidiaries from electing to apply IFRS 19 for the 'first time' more than once.

Comparative information

BC99 The IASB considered what comparative information should be required if a subsidiary elects to apply IFRS 19 in the current reporting period, having not done so in the previous period. The IASB expected that such a subsidiary might provide fewer disclosures in its financial statements in the current period than in the preceding period.

BC100 The IASB decided it was unnecessary to require additional disclosures beyond the requirement in IFRS 19 for the subsidiary to state it has applied IFRS 19. The reason for this decision was that the disclosure requirements developed for IFRS 19 were designed to meet the information needs of users of the subsidiaries' financial statements (see paragraphs BC32–BC40). A subsidiary would include comparative information for the immediately preceding reporting period when IFRS 19 requires such information to be disclosed, instead of based on the disclosure requirements that were relevant when it prepared financial statements for its previous reporting period.

BC101 The IASB also considered what comparative information should be required if a subsidiary revoked its election to apply IFRS 19 in the current reporting period—that is, if the subsidiary applied IFRS 19 in the preceding period but not in the current period. The IASB noted that, in accordance with the requirements in IFRS 18 relating to the presentation of comparative amounts when applying a new IFRS Accounting Standard, the subsidiary would be required to disclose comparative information.

BC102 For the situation set out in paragraph BC101, where a subsidiary applied IFRS 19 in its previous reporting period but not in its current period, the IASB concluded that the subsidiary would be required to provide comparative information for all amounts reported in the current period's financial statements unless another IFRS Accounting Standard required or permitted otherwise. The IASB also decided to make it clear that comparative information shall not be omitted from disclosures in the financial statements for the current period for the reason that IFRS 19 did not require the disclosure of comparative information in the preceding period (see paragraph 15 of IFRS 19). This treatment is consistent with IFRS 1, which does not provide an exemption from disclosing comparative amounts in the notes in an entity's first financial statements prepared using IFRS Accounting Standards.

Whether electing or revoking an election to apply IFRS 19 requires a subsidiary to apply IAS 8

BC103 In its redeliberations, the IASB considered the requirements in IAS 8 on changes in accounting policies. The IASB decided the requirements in IAS 8 would not apply to a subsidiary's election to apply IFRS 19 or to the revocation of that election (see paragraph 16 of IFRS 19).

BC104 The IASB also considered the intersection between electing or revoking an election to apply IFRS 19 with the requirement in paragraph 37 of IFRS 18 to present a third statement of financial position in specified circumstances. The IASB noted that applying IFRS 19 does not change the recognition or measurement of items or amounts presented in the primary financial statements. This outcome renders a 'third statement of financial position' unnecessary and therefore paragraph 131 of IFRS 19 would not apply.

Requirements in IFRS 1

BC105 IFRS 1 applies to an entity's first financial statements prepared applying IFRS Accounting Standards (and to each interim financial report an entity presents for part of the period covered by those financial statements). IFRS 1 defines an entity's first IFRS financial statements, in paragraph 3, as:

> the first annual financial statements in which the entity adopts IFRSs, by an explicit and unreserved statement in those financial statements of compliance with IFRSs.

BC106 IFRS 19 is an IFRS Accounting Standard and some respondents to the Exposure Draft asked how first-time adoption of IFRS 19 would relate to the application of IFRS 1. For the avoidance of doubt, the IASB decided to explain in IFRS 19 how the requirements of IFRS 1 are applied (see paragraphs 17–19 of IFRS 19).

BC107 The IASB considered whether and how a subsidiary that elects to apply IFRS 19 or revokes that election, or otherwise stops applying IFRS 19, would apply IFRS 1. A subsidiary that applied a local GAAP or the *IFRS for SMEs* Accounting Standard in a preceding reporting period and elected to apply IFRS Accounting Standards, including IFRS 19, in the current period would be required to apply IFRS 1 when it first applied IFRS 19 because those reporting frameworks are not IFRS Accounting Standards. Other subsidiaries moving between applying IFRS Accounting Standards with IFRS 19 and IFRS Accounting Standards without IFRS 19 would not be within the scope of IFRS 1.

Maintaining IFRS 19

BC108 IFRS 19 is an IFRS Accounting Standard. A subsidiary applying IFRS 19 is required to apply the requirements in other IFRS Accounting Standards, except for the disclosure requirements. Instead, the subsidiary applies the requirements in IFRS 19. The subsidiary will be required to apply each new or amended IFRS Accounting Standard from its effective date.

BC109 The IASB decided subsidiaries applying IFRS 19 should be able to benefit from any reduced disclosures as soon as they apply a new or amended IFRS Accounting Standard. Therefore, the IASB will propose amendments to IFRS 19 as part of each exposure draft that proposes new or amended disclosure requirements in other IFRS Accounting Standards. This approach will require the IASB to consider proposals to amend IFRS 19 in the same period in which new or amended disclosure requirements are being developed. When each new or amended IFRS Accounting Standard is issued, it will include consequential amendments to IFRS 19 setting out the reduced disclosures, as appropriate, and the IFRS taxonomy will be updated to reflect changes to IFRS 19.

BC110 As part of this process, the IASB will continue to apply the principles in paragraph BC33 to determine whether new or amended disclosure requirements being proposed as part of IFRS Accounting Standards provide useful information to users of the financial statements of eligible subsidiaries and, thus, whether to include those disclosures in IFRS 19. As well as reviewing whether potential changes would satisfy those principles, the IASB will consider its previous discussions on a topic and whether new information has come to light which merits revisiting past decisions. The IASB will also assess the overall disclosure requirements on a topic in IFRS 19 if more disclosure requirements are added, to monitor whether the requirements remain proportionate and appropriate for eligible subsidiaries.

BC111 Some new or amended IFRS Accounting Standards include new disclosure requirements that were issued since the Exposure Draft was developed but became effective before the issue of IFRS 19. Subsidiaries applying IFRS 19 will need to provide all the disclosures required by these new or amended IFRS Accounting Standards until the IASB has reviewed the disclosure requirements and, where appropriate, amended IFRS 19 to permit reduced disclosures. This timing difference is expected to be a short-term issue; the maintenance approach (see paragraph BC109) will prevent future misalignment.

BC112 The Exposure Draft was developed based on the disclosure requirements in IAS 1. In April 2024, the IASB issued IFRS 18, which supersedes IAS 1. Accordingly, the proposed requirements in the Exposure Draft were updated when finalising IFRS 19 so that IFRS 19 reflects the disclosure requirements in IFRS 18. In updating the disclosure requirements, the IASB categorised each disclosure requirement in IFRS 18 (and some formerly in IAS 1) into one of three categories—carried over from IAS 1, carried over from IAS 1 to another IFRS Accounting Standard, or a new disclosure requirement in IFRS 18. The requirements were then dealt with according to their category. In particular:

(a) disclosure requirements from IAS 1 that had been proposed in the Exposure Draft were included in IFRS 19;

(b) disclosure requirements from IAS 1 that had not been proposed in the Exposure Draft were excluded from IFRS 19; and

(c) new disclosure requirements were included in IFRS 19 without any changes or reductions. In the future, the IASB will consider whether to reduce these requirements for eligible subsidiaries.

BC113 The IASB intends to publish a single exposure draft after IFRS 19 is issued, to address all new or amended disclosure requirements in IFRS Accounting Standards that were proposed or issued before IFRS 19 was issued but which had not been considered when developing the Exposure Draft. This one-time update will propose reduced disclosures based on the principles in paragraph BC33.

Contracts referencing nature-dependent electricity (paragraphs 64A–64C)

BC114 In December 2024, the IASB issued *Contracts Referencing Nature-dependent Electricity* that amends IFRS 9 *Financial Instruments* and IFRS 7. The IASB decided not to reduce the disclosures for eligible subsidiaries because:

(a) the proposed disclosure requirements would provide information about obligations, commitments or contingencies and information on measurement uncertainties.

(b) the narrow scope of the contracts that meet the criteria in paragraph 5B of IFRS 7 reduces the costs for eligible subsidiaries of providing the information. Therefore, the IASB expects that the benefits of the proposed disclosure requirements would outweigh the costs.

Completing the review of new or amended Standards issued before IFRS 19

BC115 The IASB issued Amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures* in August 2025. These amendments provide reduced disclosure requirements for new or amended IFRS Accounting Standards issued between February 2021 and May 2024.

BC116 The IASB reduced the disclosure requirements using the approach set out in paragraphs BC32-BC53 for consistency with the IASB's approach to developing IFRS 19. In particular:

(a) excluding disclosure objectives relating to supplier finance arrangements, lack of exchangeability, Pillar Two model rules, classification and measurement of financial instruments, and non-current liabilities with covenants;

(b) reducing disclosure requirements relating to supplier finance arrangements;

(c) excluding material that sets out guidance instead of disclosure requirements (see paragraph BC53); and

(d) replacing disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures.

Supplier finance arrangements

BC117 In May 2023 the IASB issued *Supplier Finance Arrangements*, which amended IAS 7 and IFRS 7. The amendments require an entity to provide additional disclosures about its supplier finance arrangements and are effective for annual reporting periods beginning on or after 1 January 2024.

BC118 The main effect of supplier finance arrangements for entities that enter into them is on short-term cash flows. Therefore, in the IASB's view, most of the disclosure requirements added to IAS 7 are necessary to meet the information needs of users of eligible subsidiaries' financial statements. The IASB therefore decided to include all of these disclosure requirements except those that include a disclosure objective (see paragraphs BC50-BC52).

BC119 The IASB considered the costs and benefits of each disclosure requirement. Subsidiaries prepare information to be included in their consolidation packages for reporting to their parent, so in many cases the preparation of disclosures for their own financial statements should not involve additional work. However, because the materiality assessment appropriate for a group will differ from the materiality assessment appropriate for a subsidiary, a subsidiary might incur costs to prepare the required disclosures for its own financial statements.

BC120 In addition, while some information about supplier finance arrangements can be readily sourced from the finance provider, some might require additional analysis by the subsidiary, taking into account its individual materiality assessment. Therefore, the IASB decided not to include the disclosure requirement from paragraph 44H(b)(iii) of IAS 7. As a result, a subsidiary is not required to provide disclosures relating to the range of payment due dates for financial liabilities it has disclosed in accordance with paragraph 168(b)(i) of the Standard and the comparable trade payables that are not part of the supplier finance arrangement. The IASB did not amend the Standard to reflect the changes in the requirements of IFRS 7, because the changes mainly related to guidance on existing disclosure requirements.

Aggregation and disaggregation

BC121 IFRS 18 requires an entity to aggregate or disaggregate information as appropriate to avoid obscuring material information. In the IASB's view, the new disclosure requirements relating to aggregation and disaggregation are likely to help eligible subsidiaries provide information to meet the needs of users of their financial statements, satisfying one of the principles in paragraph BC33.

Management-defined performance measures

BC122 IFRS 18 includes a requirement for an entity to identify any management-defined performance measures it uses and to provide disclosures about these measures. A subsidiary might provide information to its parent for the parent to prepare consolidated performance measures. However, the information provided to the parent would meet the definition of a management-defined performance measure only if the subsidiary itself used those measures in public communications to communicate an aspect of its financial performance. In the IASB's view, subsidiaries are less likely to use management-defined performance measures in public communications than entities with public accountability.

BC123 The IASB is of the view that disclosures of management-defined performance measures are important for eligible subsidiaries that use those measures, but that many eligible subsidiaries will not use them. Therefore, the IASB concluded that an approach similar to that used for IFRS 8 (see paragraph BC70) is suitable for management-defined performance measures. With this approach, eligible subsidiaries using management-defined performance measures would be required to apply the related disclosure requirements in IFRS 18, but the IASB decided not to reproduce these requirements in IFRS 19. If an eligible subsidiary chooses to use management-defined performance measures (or to disclose any segment information) it is required to apply all the disclosure requirements in IFRS 18 (or IFRS 8) without reduction. However, eligible subsidiaries are not expected to incur excessive costs as a result of the IASB's approach, because they can choose not to use management-defined performance measures in public communications if, in their judgement, the benefits of doing so do not justify the costs of applying the disclosure requirements.

Footnotes

1. Amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures* was issued in August 2025. See paragraphs BC115-BC123.

2. IFRS 18 *Presentation and Disclosure in Financial Statements* was issued in April 2024. IAS 1 *Presentation of Financial Statements* will be withdrawn from the effective date of IFRS 18, with some of the requirements from IAS 1 reproduced in IFRS 18 and others relocated to IAS 8 *Basis of Preparation of Financial Statements*. IFRS 18 has the same effective date as IFRS 19 *Subsidiaries without Public Accountability: Disclosures*, but IFRS 19 includes an appendix with requirements for eligible subsidiaries applying IFRS 19 before IFRS 18. The disclosure requirements relating to IFRS 18 will be reviewed as part of the IASB's agreed maintenance approach for IFRS 19 and, until this has taken place, all new disclosure requirements apply to entities applying IFRS 19.

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