
IASB[®] meeting

Date	November 2024
Project	Management Commentary
Topic	Cover paper
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This paper has been prepared for discussion at a public meeting of the International Accounting Standards Board (IASB). This paper does not represent the views of the IASB or any individual IASB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS[®] Accounting Standards. The IASB's technical decisions are made in public and are reported in the IASB[®] *Update*.

Background

1. In June 2024, the International Accounting Standards Board (IASB) decided to finalise the Management Commentary project by making targeted refinements to the proposals in the Exposure Draft *Management Commentary* (Exposure Draft).
2. In September 2024, the IASB discussed the approach to possible targeted refinements set out in Agenda Paper 15A [Scope of possible refinements](#) for that meeting. The IASB noted that possible targeted refinements to the proposals in the Exposure Draft will be presented to the IASB for discussion if:
 - (a) many respondents questioned a particular aspect of the proposals, or asked for clarifications (for example, the relationship between the concepts of key matters and materiality); or
 - (b) a possible refinement relates to developments in the reporting landscape, such as the publication of the inaugural IFRS Sustainability Disclosure Standards and the IFRS Foundation taking ownership of the Integrated Reporting Framework (for example, the supporting description of the term 'ability to create value and generate cash flows').
3. Agenda Paper 15A included an appendix setting out topics identified for discussion.

Topics previously discussed

4. The IASB discussed the following topics at its September 2024 meeting:
 - (a) scope of possible targeted refinements;
 - (b) targeted refinements to proposals in Chapters 1–3 of the Exposure Draft; and
 - (c) indicative drafting—targeted refinements to proposals in Chapters 1–3 of the Exposure Draft.
5. Appendix A provides a summary of the IASB’s discussions and tentative decisions to date.

Papers for this meeting

6. The following papers will be discussed at this meeting:
 - (a) Agenda Paper 15A *Targeted refinements—Design of disclosure objectives*—this paper discusses a targeted refinement to the design of the disclosure objectives proposed in the Exposure Draft and asks the IASB to make a decision.
 - (b) Agenda Paper 15B *Targeted refinements—Material information*—this paper discusses targeted refinements to the definition of ‘material’ proposed in the Exposure Draft and asks the IASB to make decisions.
 - (c) Agenda Paper 15C *Targeted refinements—Key matters*—this paper discusses:
 - (i) targeted refinements to clarify the role of the proposed requirement to focus on key matters that could be considered in drafting the revised IFRS Practice Statement 1 *Management Commentary*. The paper does not ask the IASB to make a decision but invites IASB members’ questions and comments on the staff’s analysis and suggested approach.

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- (ii) the term ‘key matters’. The staff plan to ask the IASB at a future meeting to make decisions on all terminology-related questions together (see paragraph 7(c)).
 - (iii) the need for a clearer articulation of connections between key *matters* and connections between *information* about those matters. The staff plan to ask the IASB to consider this topic further at a future meeting in discussing the attribute of coherence (see paragraph 7(b)).

Next steps

- 7. The following topics will be discussed at a future IASB meeting:
 - (a) areas of content and reporting on long-term prospects, intangible resources and relationships and environmental, social and governance matters (discussed in Appendix B in the Exposure Draft);
 - (b) attributes of useful information, including coherence; and
 - (c) the use of terminology, including the supporting description of the term ‘ability to create value and generate cash flows’.

Appendix A—Summary of IASB discussions and tentative decisions to date

Date	Topic	IASB discussions and tentative decisions
June 2024	Project direction (Agenda Paper 15)	The IASB met to discuss the direction of the project. The IASB decided to finalise the project by making targeted refinements to the proposals in the Exposure Draft <i>Management Commentary</i> .
September 2024	Scope of possible targeted refinements (Agenda paper 15A)	The IASB discussed its approach to redeliberations and the scope of possible targeted refinements to proposals in the Exposure Draft <i>Management Commentary</i> . The IASB was not asked to make any decisions.
September 2024	Targeted refinements to proposals in Chapter 1–3 of the Exposure Draft (Agenda Paper 15B)	<p>The IASB tentatively decided to clarify that:</p> <ol style="list-style-type: none"> the term ‘management’ can include a governing board of an entity; and the revised Practice Statement does not specify who is required to authorise management commentary for issue. <p>The IASB tentatively decided to acknowledge in the objective of management commentary:</p> <ol style="list-style-type: none"> the concept of management’s perspective. information about sustainability-related factors. <p>The IASB tentatively decided:</p> <ol style="list-style-type: none"> to acknowledge that management commentary complements other information in general purpose financial reports, including information in sustainability-related financial disclosures, if that information is provided outside of management commentary. to extend the requirements for identifying the financial statements related to management commentary to identifying sustainability-related financial disclosures, if these disclosures are not part of the larger report that includes management commentary. to require an entity to disclose the basis on which sustainability-related financial disclosures are prepared, if an entity prepares such disclosures. to give greater prominence to the requirements that apply to situations in which an entity is required by local law or regulation to include specific information in management commentary. <p>The IASB tentatively decided:</p> <ol style="list-style-type: none"> to make the definition of ‘general purpose financial statements’ consistent with the definition set out in IFRS 18 <i>Presentation and Disclosure in Financial</i>

Date	Topic	IASB discussions and tentative decisions
		<p><i>Statements and in the Conceptual Framework for Financial Reporting; and</i></p> <p>b. to include in the defined terms the definition of ‘sustainability-related financial disclosures’ set out in IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i>.</p>
September 2024	Indicative drafting—targeted refinements to proposals in Chapters 1–3 of the Exposure Draft (Agenda Paper 15C)	<p>The IASB discussed indicative drafting changes to the proposals in Chapters 1–3 in the Exposure Draft.</p> <p>The IASB was not asked to make any decisions.</p>