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Dear Mr Hoogervorst

Exposure Draft ED/2017/6 Definition of Material

Deloitte Touche Tohmatsu Limited is pleased to respond to the International Accounting Standards Board's ('the IASB's') Exposure Draft *Definition of Material* ('the ED').

We think the motivation for proposing the changes to the definition has merit. In particular, it is clearly beneficial to have a definition that is consistent in the revised Conceptual Framework and the Standards it shapes.

However, before it is finalised we urge the IASB to consider the following:

- The proposed definition is for materiality as it relates to the financial statements as a whole. Some Standards use the term material in a different, narrower, context. In other words, the definition is not appropriate for many of the circumstances in which it is used in the Standards. It is a problem that already exists in IFRS, but the proposals will embed, and reemphasise, the inconsistency. We think it is relatively easy to address this problem.
- The definition could be simplified, and made clearer, with some small drafting changes, one of which we think is necessary to ensure that one of the changes being proposed meets its objective.

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- The duplication of the definition in IAS 8 is neither necessary nor helpful. In particular, the duplicated definition is isolated from the useful supporting guidance in IAS 1.
- The plan to amend other Standards that use similar wording to those used in the definition of material could be simplified, and refer more directly to the revised definition.
- We have concerns about two of the IASB's decisions explained in the proposed Basis for Conclusions.

These are matters that can be remedied, without undermining the objective of the proposal, and we urge you to consider them before proceeding further.

We expand on these matters in the Appendix, which provides our more detailed responses to the questions in the invitation to comment.

If you have any questions concerning our comments, please do not hesitate to contact me in London at +44 (0) 20 7007 0884.

Yours sincerely



Veronica Poole
Global IFRS Leader

Appendix – detailed responses

Question 1

The Board proposes amendments to IAS 1 and IAS 8 to align the definition of material between IFRS Standards and the *Conceptual Framework*, and to include in the definition some of the existing requirements in IAS 1. The Board also proposes to clarify the explanation accompanying the definition using existing guidance in IAS 1 and the *Conceptual Framework*.

- (a) Do you agree that the definition of material and the accompanying explanation should be clarified as proposed in this Exposure Draft? If you do not agree, what changes do you suggest and why?
- (b) Would any wording or terminology introduced in the proposed amendments be difficult to understand or to translate?

Our response

The changes

There are three changes of substance: Adding “... reasonably be expected to ...”; adding “primary” before users; and referring to a “specific reporting entity.”

Reasonably be expected to

We support this change. The IASB could consider referring to a “reasonable investor”, but the proposal brings in the characteristics of users in other ways that we consider to be just as effective.

Primary users

We support this change, which is consistent with the idea that materiality is contextual – you need to think of who you are communicating with.

Specific reporting entity

We understand what the IASB is trying to achieve by referring to a specific reporting entity. Materiality should be assessed on whether it might affect the primary users of the entity reporting, not whether it might affect decisions about other entities.

Unfortunately, the proposed wording could still be referring to *any* reporting entity because the term “a specific reporting entity” does not limit the assessment to the entity that is reporting. A reference to “the” entity would be clearer. Also, the term “reporting” in “reporting entity” is unnecessary. On this basis our suggested revised wording would be:

Material: Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of ~~a specific reporting the~~ entity’s general purpose financial statements make on the basis of those financial statements.

We have some comments about the context in which the definition is used, for which we are suggesting additional changes to the definition.

Context

The Standards and Interpretations use the term material, or immaterial, in over 100 instances. A helpful test of the effectiveness of a definition is to notionally substitute it into each sentence that uses the term. We did so for a selection of Standards, and the definition works well in most contexts because the assessment is whether the particular information the Standard is referring to would be material to the general purpose financial statements.

However, this is not always the case. IFRS uses the term material in other, narrower, contexts—i.e. not on relation to the financial statements as a whole. Here are some examples.

IAS 16.53:

The depreciable amount of an asset is determined after deducting its residual value. In practice, **the residual value of an asset is often insignificant and therefore immaterial in the calculation of the depreciable amount.**

In IAS 16 the paragraph says that sometimes the residual value does not have a material effect on the calculation of depreciation. Hence, in that context the assessment seems to be whether the depreciation expense is materially affected.

IAS 37.45:

Where **the effect of the time value of money is material**, the amount of a provision shall be the present value of the expenditures expected to be required to settle the obligation.

The use of material seems to be in relation to whether it materially affects the amount of the provision not whether the difference is material in the context of the financial statements.

IFRS 9. 3.2.5 (c):

The entity has an obligation to remit any cash flows it collects on behalf of the eventual recipients without **material delay**.

In this example, the question is whether there is a material delay. Hence, the context is whether the time lag is material, not the financial consequence

We have included, in the addendum, the references to material in the current version of Volume A of the RED Book, plus IFRS 17 *Insurance Contracts*. Around 40 per cent of references to materiality are in a context that is narrower than the general purpose financial statements. In most cases it is clear whether the term is used in relation to the financial statements as a whole or in a narrower context, but not always.

The use of materiality in different contexts is an issue with IFRS today. The proposed changes to the definition do not introduce the problem. But they do bring that problem back into focus.

We recommend that the IASB resolve this by focusing the definition on general purpose financial statements. Our suggested wording includes some additional minor drafting changes that we think provide a simpler, and clearer, definition:

Material: Information is material to the general purpose financial statements of an entity if omitting, misstating or obscuring it could reasonably be expected to influence decisions made by the primary users of those financial statements.

Similes

We considered whether another way to address the contextual problem was to replace the term material with a simile such as *significant* when it is used in a narrower context. However, we rejected that approach.

Materiality is a broad concept that is widely used outside of financial reporting. Many contracts refer to material changes or matters, and it is reasonably well understood that something is material if it is sufficiently important or significant to influence an individual into acting in a particular way.

The narrower contexts in which it is used in IFRS are appropriate and, because of its common use, are likely to be well understood. Changing to an undefined simile is likely to be confusing and risks unintended consequences. Additionally, the Standards already use too many undefined terms that are broadly similar to material—significant, more than insignificant, important and major, for example. Rather than accentuate the problem we would rather that the IASB considered more broadly the terms it uses in IFRS.

Explanatory paragraphs 2, 3 and 4

We think that the second, third and fourth paragraphs of the proposed definition would be better placed in the section in IAS 1 that discusses the application of materiality (paragraphs 29 to 31). We acknowledge that IAS 1 and IAS 8 are older Standards and that it is not uncommon to have explanatory paragraphs accompany the definition. In this case, however, we think the explanatory paragraphs fit naturally into the body of IAS 1. We have included a draft of the resulting section in the addendum.

We do not have any suggestions on the wording of these three paragraphs, which we think have been well drafted.

Question 2

The Board issued the Materiality Practice Statement in September 2017 and expects to issue a revised *Conceptual Framework* in the second half of 2017. If any changes are made to IFRS Standards as a result of the proposals in this Exposure Draft, the Board will make consequential amendments to these two documents.

The Board believes that the guidance in both the Materiality Practice Statement and the forthcoming revised *Conceptual Framework* will not be affected by the proposed amendments in this Exposure Draft, other than to update the definition of material (see paragraphs BC22-BC24).

Do you have any comments on the proposed consequential amendments to the Materiality Practice Statement or to the forthcoming revised *Conceptual Framework*?

Our response

We do not have any comments on the proposed consequential amendments to the Materiality Practice Statement or to the forthcoming revised *Conceptual Framework*, other than emphasising that the definitions and explanations should be aligned. Because the Conceptual Framework and the Practice Statement are not part of IFRS it would be appropriate to include explanatory paragraphs in those documents, so that they are self-contained.

Question 3

Do you have any other comments about the proposals in this Exposure Draft?

Our response

Consequential amendments

IAS 8

The repetition of the definition and explanations in IAS 8 is unnecessary. As with newer Standards, it would be better to simply state that *material* has the same meaning as defined in IAS 1. Referring back to IAS 1 not only helps to emphasise that the definitions are the same but it ensures that those using IFRS are directed to the full range of explanatory paragraphs in IAS 1.

Duplication also creates a maintenance problem, with any change to the paragraphs in IAS 1 creating consequential amendments to IAS 8.

Other references in IFRS

The proposals includes amendments to two Standards that use the term material, and include additional wording from the current definition (IAS 10.21 and IAS 37.75).

As a general principle, it would be better to avoid repeating words that are extracted from other Standards. Duplication makes it more difficult to maintain IFRS because any subsequent changes need to be made to those other Standards. The IAS 10 and IAS 37 cases are, if anything, exceptions to how other Standards refer to material by simply using that term without additional explanation.

We think it would be better to remove the additional words, rather than replacing them.

The proposal is to change IAS 10.21 to read:

- 21 If non-adjusting events after the reporting period are material, non-disclosure could reasonably be expected to influence the economic decisions that the primary users of an entity's financial statements make on the basis of the those financial statements. Accordingly, an entity shall disclose the following for each material category of non-adjusting event after the reporting period:

We suggest:

- 21 If non-adjusting events after the reporting period are material, ~~non-disclosure could influence the economic decisions that users make on the basis of the financial statements. Accordingly,~~ to the financial statements an entity shall disclose the following, for each material category of non-adjusting event: ~~after the reporting period:~~

In a similar manner, rather than amending IAS 37.75 as proposed:

If an entity starts to implement a restructuring plan, or announces its main features to those affected, only after the reporting period, disclosure is required under IAS 10 Events after the Reporting Period, if the restructuring is material and non-disclosure could reasonably be expected to influence the economic decisions that the primary users of an entity's financial statements make on the basis of the those financial statements..

We suggest:

If an entity starts to implement a restructuring plan, or announces its main features to those affected, only after the reporting period, it is required to disclose information about the plan in accordance with disclosure is required under IAS 10 Events after the Reporting Period., if the restructuring is material to the financial statements. ~~and non-disclosure could influence the economic decisions that users make on the basis of the financial statements.~~

We support the proposal to amend IFRS 2.IG17 (IG Example 11) and IFRS 4.IG15-16 because they are in documents outside of IFRS. We also support amending IAS 34.24 because the nature of that discussion is how materiality needs to be applied to interim financial reports and the fuller explanation, rather than a simple reference, is helpful.

Basis for Conclusions

The Basis for Conclusions states that the IASB decided not to amend any other requirements in IFRS that contain similar wording to the definition of material.

The Basis refers to two specific cases, the definition of a prior period adjustment in IAS 8 and paragraph 24 of IAS 1. We agree that neither paragraph needs to be amended as a consequence of the proposed amendments to the definition of material. However, the Basis for Conclusions does not make it clear that in both cases the words might be similar to those used in the definition of material, but they are not intended to have the same meaning.

The definition of a prior period error is:

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- (a) was available when financial statements for those periods were authorised for issue; and
- (b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

The reference to "could reasonably be expected to ..." relates to expectations about steps the preparer went through in gathering and using information. This is not the same as assessing whether a matter is material in relation to the financial statements.

By including this as an example in the Basis for Conclusions the IASB could be implying that whether a preparer "could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements" is about the materiality of that information to the financial statements. This is not the case, and the reference to the definition of a prior period adjustment should either be removed from the Basis for Conclusions or the Basis should explain that the words are used in a different context.

IAS 1.24 discusses conflicts with the objective of financial reporting. The use of the term "likely" implies a higher expectation that users will be influenced than the expectation associated with materiality. It would be helpful if the Basis for Conclusions made it clear that this is why the wording was not amended.

Unfortunately, the current wording of IAS1.24 implies that *any* conflict is likely to influence users. We suggest that the word “consequently” be deleted, and a reference to the entity reporting be added as follows:

- 24 For the purpose of paragraphs 19–23, an item of information would conflict with the objective of financial statements when it does not represent faithfully the transactions, other events and conditions that it either purports to represent or could reasonably be expected to represent and ~~consequently~~, it would be likely to influence economic decisions made by users of the entity’s financial statements. When assessing whether complying with a specific requirement in an IFRS would be so misleading that it would conflict with the objective of financial statements set out in the *Framework*, management considers:

Addendum

Illustration of suggested revised wording in IAS 1.

In our comment letter we recommended additional changes to the definition and that the accompanying explanatory paragraphs be moved to the body of IAS 1. We illustrate how this could be effected in this addendum.

The suggested new paragraphs 28B to 28D are simply the wording as proposed in the IASB's amendment. We have used our suggested definition in Paragraphs 7 and 28A. Paragraphs 29 to 31 are reproduced from IAS 1 without any changes.

- 7** ***Material* Information is material to the general purpose financial statements of an entity if omitting, misstating or obscuring it could reasonably be expected to influence decisions made by the primary users on the basis of those financial statements.**

Materiality and aggregation

- 28A** **Information is material to the general purpose financial statements of an entity if omitting, misstating or obscuring it could reasonably be expected to influence decisions made by the primary users on the basis of those financial statements.**
- 28B** Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements. Material information might be obscured if it is not communicated clearly—for example, if it is obscured by immaterial information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.
- 28C** Assessing whether information could reasonably be expected to influence decisions of the primary users of general purpose financial statements, requires consideration of the characteristics of those users judged in the entity's circumstances.
- 28D** Many existing and potential investors, lenders and other creditors cannot require reporting entities to provide information directly to them and must rely on general purpose financial reports for much of the financial information they need. Consequently, they are the primary users to whom general purpose financial statements are directed. Financial statements are prepared for users who have a reasonable knowledge of business and economic activities and who review and analyse the information diligently. At times, even well-informed and diligent users may need to seek the aid of an adviser to understand information about complex economic phenomena.

Aggregation

- 29** **An entity shall present separately each material class of similar items. An entity shall present separately items of a dissimilar nature or function unless they are immaterial.**
- 30** Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or function. The final stage in the process of aggregation and classification is the presentation of condensed and classified data, which form line items in the financial statements. If a line item is not individually material, it is aggregated with other items either in those statements or in the notes. An item that is not sufficiently material to

warrant separate presentation in those statements may warrant separate presentation in the notes.

- 30A When applying this and other IFRSs an entity shall decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity shall not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.
- 31 Some IFRSs specify information that is required to be included in the financial statements, which include the notes. An entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material. This is the case even if the IFRS contains a list of specific requirements or describes them as minimum requirements. An entity shall also consider whether to provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

Use of the term “material” in IFRS

In this Addendum we identify the instances in which the term material (and immaterial) is used in Standards and Interpretations.

We have indicated with the symbol ● whether the term appears to be used in relation to the financial statements as a whole or in a narrower context. Where it is less clear we have used the symbol ○. This is not a formal interpretation, but it is intended to provide an indication of the different contexts in which the term is used, as we have explained in our response to Question 1.

IFRS	Para	Extract	Context:	
			F/S	Narrower
IAS 2	14	the carrying amount of the main product is not materially different from its cost.		●
IAS 10	16	management is aware of material uncertainties related to events or conditions that may cast significant doubt upon the entity’s ability to continue as a going concern	●	
	21	If non-adjusting events after the reporting period are material, non-disclosure could influence the economic decisions that users make on the basis of the financial statements.	●	
IAS 16	31, 34	the carrying amount does not differ materially from that which would be determined using fair value		●
	53	the residual value of an asset is often insignificant and therefore immaterial in the calculation of the depreciable amount		●
	79	when the cost model is used, (disclose) the fair value of property, plant and equipment when this is materially different from the carrying amount		●
IAS 19	17	In many cases, an entity may not need to make detailed computations to estimate that there is no material obligation for unused paid absences.		●
	57	Where an entity has more than one defined benefit plan, the entity applies these procedures for each material plan separately.	●	
	58	An entity shall determine the net defined benefit liability (asset) with sufficient regularity that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period.		●
	59	This Standard encourages, but does not require, an entity to involve a qualified actuary in the measurement of all material post-employment benefit obligations.	●	
	59	the results of that valuation are updated for any material transactions and other material changes in circumstances		●
	70	if an employee’s service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from:		●
	70	(Disclose) the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.		●
	73	The obligation increases until the date when further service by the employee will lead to no material amount of further benefits.		●
	73	However, if an employee’s service in later years will lead to a materially higher level of benefit than in earlier years, an entity attributes benefit on a straight-line basis until the date when further service by the employee will lead to no material amount of further benefits.		●
	84	One actuarial assumption that has a material effect is the discount rate.	●	

IFRS	Para	Extract	Context:	
			F/S	Narrower
	138	An entity shall assess whether all or some disclosures should be disaggregated to distinguish plans or groups of plans with materially different risks.		●
IAS 34	16A	a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.		●
	16A(g) (vii)	Material reconciling items shall be separately identified and described in that reconciliation.	○	
	24-27	General discussion of how materiality applies to interim financial statements.	●	
	41	The measurement procedures to be followed in an interim financial report shall be designed to ensure that the resulting information is reliable and that all material financial information that is relevant to an understanding of the financial position or performance of the entity is appropriately disclosed.	●	
IAS 36	12	and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.		●
	15	Apart from when the requirements in paragraph 10 apply, the concept of materiality applies in identifying whether the recoverable amount of an asset needs to be estimated.		●
	16	For example, increases in short-term interest rates may not have a material effect on the discount rate used for an asset that has a long remaining useful life.		●
	16	it is unlikely that there will be a material decrease in recoverable amount because future cash flows are also likely to increase		●
		the decrease in recoverable amount is unlikely to result in a material impairment loss	○	
	21	If there is no reason to believe that an asset's value in use materially exceeds its fair value less costs of disposal, the asset's fair value less costs of disposal may be used as its recoverable amount.		●
	46	A restructuring is a programme that is planned and controlled by management and materially changes either the scope of the business undertaken by an entity or the manner in which the business is conducted.		●
	111	are likely to affect the discount rate used in calculating the asset's value in use and increase the asset's recoverable amount materially.		●
IAS 37	10	A <i>restructuring</i> is a programme that is planned and controlled by management, and materially changes either: (a) the scope of a business undertaken by an entity; or (b) the manner in which that business is conducted.		●
	45	Where the effect of the time value of money is material,		●
	46	Provisions are therefore discounted, where the effect is material.		●
	70	fundamental reorganisations that have a material effect on the nature and focus of the entity's operations.		●
	75	if the restructuring is material and non-disclosure could influence the economic decisions that users make on the basis of the financial statements.	●	
IAS 38	75	Revaluations shall be made with such regularity that at the end of the reporting period the carrying amount of the asset does not differ materially from its fair value.		●
	79	If the fair value of a revalued asset differs materially from its carrying amount,		●
	121	IAS 8 requires an entity to disclose the nature and amount of a change in an accounting estimate that has a material effect in the current period or is expected to have a material effect in subsequent periods.	●	

IFRS	Para	Extract	Context:	
			F/S	Narrower
		Such disclosure may arise from changes in: (a) the assessment of an intangible asset's useful life; (b) the amortisation method; or (c) residual values.		
	122	a description, the carrying amount and remaining amortisation period of any individual intangible asset that is material to the entity's financial statements.	●	
IAS 39	AG114	Any ineffectiveness will be recognised in profit or loss as the difference between the change in fair value referred to in (g) and that referred to in (h). The same materiality considerations apply in this context as apply throughout IFRSs.		○
	AG125	Such ineffectiveness ⁷ shall be identified and recognised in profit or loss. ⁷ The same materiality considerations apply in this context as apply throughout IFRSs.		○
IAS 41	24	Cost may sometimes approximate fair value, particularly when: (a) little biological transformation has taken place since initial cost incurrence (for example, for seedlings planted immediately prior to the end of a reporting period or newly acquired livestock); or (b) the impact of the biological transformation on price is not expected to be material (for example, for the initial growth in a 30-year pine plantation production cycle).		●
	53	If an event occurs that gives rise to a material item of income or expense, the nature and amount of that item are disclosed in accordance with IAS 1 <i>Presentation of Financial Statements</i> . Examples of such an event include an outbreak of a virulent disease, a flood, a severe drought or frost, and a plague of insects.	●	
IFRIC 1	6	the carrying amount does not differ materially from that which would be determined using fair value		●
IFRIC 14	10	In accordance with IAS 1, the entity shall disclose information about the key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amount of the net asset or liability recognised in the statement of financial position.	○	
IFRS 1	25	The reconciliations required by paragraph 24(a) and (b) shall give sufficient detail to enable users to understand the material adjustments to the statement of financial position and statement of comprehensive income. If an entity presented a statement of cash flows under its previous GAAP, it shall also explain the material adjustments to the statement of cash flows.	●	
	33	IAS 34 requires minimum disclosures, which are based on the assumption that users of the interim financial report also have access to the most recent annual financial statements. However, IAS 34 also requires an entity to disclose 'any events or transactions that are material to an understanding of the current interim period'. Therefore, if a first-time adopter did not, in its most recent annual financial statements in accordance with previous GAAP, disclose IFRS 1 _ IFRS Foundation A63 information material to an understanding of the current interim period, its interim financial report shall disclose that information or include a cross-reference to another published document that includes it.	●	
IFRS 3	B65	For individually immaterial business combinations occurring during the reporting period that are material collectively, the acquirer shall disclose in aggregate the information required by paragraph B64(e)-(q).	●	
	B66	the acquirer shall disclose the following information for each material business combination or in the aggregate for individually immaterial business combinations that are material collectively:	●	
IFRS 4	37	the effect of changes in assumptions used to measure insurance assets and insurance liabilities, showing separately the effect of each change that has a material effect on the financial statements.	●	

IFRS	Para	Extract	Context:	
			F/S	Narrower
	39	actual claims compared with previous estimates (ie claims development). The disclosure about claims development shall go back to the period when the earliest material claim arose for which there is still uncertainty about the amount and timing of the claims payments, but need not go back more than ten years.		●
	39A	qualitative information about sensitivity, and information about those terms and conditions of insurance contracts that have a material effect on the amount, timing and uncertainty of the insurer's future cash flows.	●	
	39J	If an entity applied the temporary exemption from IFRS 9 when accounting for its investment in an associate or joint venture using the equity method (for example, see paragraph 200(a)), the entity shall disclose the following, in addition to the information required by IFRS 12 <i>Disclosure of Interests in Other Entities</i> : (a) the information described by paragraphs 39B–39H for each associate or joint venture that is material to the entity. ... and the quantitative information described by paragraphs 39B–39H in aggregate for all individually immaterial associates or joint ventures.	●	
	39M	the information described by paragraphs 39K–39L for each associate or joint venture that is material to the entity ... and the effect of the reclassification described in paragraph 35B on profit or loss and other comprehensive income in aggregate for all individually immaterial associates or joint ventures.	●	
	B7	There are unlikely to be material liabilities for malfunctions and breakdowns that have already occurred.	●	
	B25	An insurer shall assess the significance of insurance risk contract by contract, rather than by reference to materiality to the financial statements. Thus, insurance risk may be significant even if there is a minimal probability of material losses for a whole book of contracts.	●	
IFRS 7	B10	making a loan commitment that is irrevocable over the life of the facility or is revocable only in response to a material adverse change.		●
IFRS 8	21	reconciliations of the totals of segment revenues, reported segment profit or loss, segment assets, segment liabilities and other material segment items to corresponding entity amounts as described in paragraph 28.	●	
	23	material items of income and expense disclosed in accordance with paragraph 97 of IAS 1 <i>Presentation of Financial Statements</i> (as revised in 2007);	●	
	23	material non-cash items other than depreciation and amortisation	●	
	28	the total of the reportable segments' amounts for every other material item of information disclosed to the corresponding amount for the entity.	●	
	28	All material reconciling items shall be separately identified and described. For example, the amount of each material adjustment needed to reconcile reportable segment profit or loss to the entity's profit or loss arising from different accounting policies shall be separately identified and described.		●
	33	If revenues from external customers attributed to an individual foreign country are material, those revenues shall be disclosed separately.		●
	33	If assets in an individual foreign country are material, those assets shall be disclosed separately.		●
IFRS 9	3.2.5	The entity has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay.		●
IFRS 10	B24	This includes the approval of material sales of assets as well as the making or disposing of significant investments.	●	
IFRS 11	B32	However, the parties also consider the following aspects of the arrangement: The parties agreed to purchase all the output produced by entity C in a ratio of 50:50. Entity C cannot sell any of the output to		●

IFRS	Para	Extract	Context:	
			F/S	Narrower
		third parties, unless this is approved by the two parties to the arrangement. Because the purpose of the arrangement is to provide the parties with output they require, such sales to third parties are expected to be uncommon and not material.		
IFRS 12	12	An entity shall disclose for each of its subsidiaries that have non-controlling interests that are material to the reporting entity:	●	
	21	An entity shall disclose: (a) for each joint arrangement and associate that is material to the reporting entity: for each joint venture and associate that is material to the reporting entity: financial information as specified in paragraph B16 about the entity's investments in joint ventures and associates that are not individually material: (i) in aggregate for all individually immaterial joint ventures and, separately, (ii) in aggregate for all individually immaterial associates.	●	
	B10	For each subsidiary that has non-controlling interests that are material to the reporting entity, an entity shall disclose:	●	
	B12	For each joint venture and associate that is material to the reporting entity, an entity shall disclose:	●	
	B13	In addition to the summarised financial information required by paragraph B12, an entity shall disclose for each joint venture that is material to the reporting entity the amount of:	●	
	B16	An entity shall disclose, in aggregate, the carrying amount of its interests in all individually immaterial joint ventures or associates that are accounted for using the equity method.	●	
IFRS 14	B25	B25 Paragraph 12(e) of IFRS 12 requires an entity to disclose, for each of its subsidiaries that have non-controlling interests that are material to the reporting entity, the profit or loss that was allocated to non-controlling interests of the subsidiary during the reporting period.	●	
	B26	Paragraph 12(g) of IFRS 12 requires an entity to disclose, for each of its subsidiaries that have non-controlling interests that are material to the reporting entity, summarised financial information about the subsidiary, as specified in paragraph B10 of IFRS 12. Similarly, paragraph 21(b)(ii) of IFRS 12 requires an entity to disclose, for each joint venture and associate that is material to the reporting entity, summarised financial information as specified in paragraphs B12–B13 of IFRS 12. Paragraph B16 of IFRS 12 specifies the summary financial information that an entity is required to disclose for all other associates and joint ventures that are not individually material in accordance with paragraph 21(c) of IFRS 12.	●	
IFRS 15	4	However, as a practical expedient, an entity may apply this Standard to a portfolio of contracts (or <i>performance obligations</i>) with similar characteristics if the entity reasonably expects that the effects on the financial statements of applying this Standard to the portfolio would not differ materially from applying this Standard to the individual contracts (or <i>performance obligations</i>) within that portfolio.	●	
	26	granting options to purchase additional goods or services (when those options provide a customer with a material right, as described in paragraphs B39–B43).		●
	B40	If, in a contract, an entity grants a customer the option to acquire additional goods or services, that option gives rise to a performance obligation in the contract only if the option provides a material right to the customer that it would not receive without entering into that contract (for example, a discount that is incremental to the range of discounts typically given for those goods or services to that class of customer in that geographical area or market). If the option provides a material right to the customer, the customer in effect pays the entity in advance for future goods or services and the entity recognises revenue when those future goods or services are transferred or when the option expires.		●

IFRS	Para	Extract	Context:	
			F/S	Narrower
	B41	If a customer has the option to acquire an additional good or service at a price that would reflect the stand-alone selling price for that good or service, that option does not provide the customer with a material right even if the option can be exercised only by entering into a previous contract. In those cases, the entity has made a marketing offer that it shall account for in accordance with this Standard only when the customer exercises the option to purchase the additional goods or services.		●
	B43	If a customer has a material right to acquire future goods or services and those goods or services are similar to the original goods or services in the contract and are provided in accordance with the terms of the original contract, then an entity may, as a practical alternative to estimating the stand-alone selling price of the option, allocate the transaction price to the optional goods or services by reference to the goods or services expected to be provided and the corresponding expected consideration.		●
	B49	The revenue recognition period would extend beyond the initial contractual period if the entity grants the customer the option to renew the contract and that option provides the customer with a material right as described in paragraph B40.		●
IFRS 16	B1	However, as a practical expedient, an entity may apply this Standard to a portfolio of leases with similar characteristics if the entity reasonably expects that the effects on the financial statements of applying this Standard to the portfolio would not differ materially from applying this Standard to the individual leases within that portfolio.		○
	B4	The assessment of whether an underlying asset is of low value is performed on an absolute basis. Leases of low-value assets qualify for the accounting treatment in paragraph 6 regardless of whether those leases are material to the lessee.	●	
	B57	For a lease of land and buildings in which the amount for the land element is immaterial to the lease, a lessor may treat the land and buildings as a single unit for the purpose of lease classification and classify it as a finance lease or an operating lease applying paragraphs 62–66 and B53–B54.		●
IFRS 17	53	the entity reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would be produced applying the requirements in paragraphs 32–52;		○
	69	the entity reasonably expects the resulting measurement would not differ materially from the result of applying the requirements in paragraphs 63–68;		○
	96	Paragraphs 29–31 of IAS 1 set out requirements relating to materiality and aggregation of information.	●	
	130	The disclosure about claims development shall start with the period when the earliest material claim(s) arose and for which there is still uncertainty about the amount and timing of the claims payments at the end of the reporting period; but the disclosure is not required to start more than 10 years before the end of the reporting period.		●
	B47	IFRS 17 does not require an entity to use a replicating portfolio technique. However, if a replicating asset or portfolio does exist for some of the cash flows that arise from insurance contracts and an entity chooses to use a different technique, the entity shall satisfy itself that a replicating portfolio technique would be unlikely to lead to a materially different measurement of those cash flows.	●	