



## สภาวิชาชีพบัญชี ในพระบรมราชูปถัมภ์

FEDERATION OF ACCOUNTING PROFESSIONS  
UNDER THE ROYAL PATRONAGE OF HIS MAJESTY THE KING

January 25, 2022

Mr. Hans Hoogervorst  
Chairman  
International Accounting Standards Board (IASB)  
Columbus Building  
7 Westferry Circus, Canary Wharf,  
London E14 4HD, United Kingdom

Dear Mr. Hoogervorst,

### **Response on IFRS Standards Exposure Draft ED/2021/3 - Disclosure Requirements in IFRS Standards—A Pilot Approach**

The Thailand Federation of Accounting Professions would like to show our appreciation on the opportunity to response on **IFRS Standards Exposure Draft ED/2021/3 - Disclosure Requirements in IFRS Standards—A Pilot Approach**. Overall, we agree with the concept of proposed disclosure objectives and requirements within IFRS with some concerning towards the use of judgment on those disclosures.

Please find our responses to the specific survey raised in **IFRS Standards Exposure Draft ED/2021/3 - Disclosure Requirements in IFRS Standards—A Pilot Approach** in an attachment. We believe that these responses will help the practitioners in the future and that our response will contribute positively to the IASB's due process. Should you need more information, please kindly contact the Thailand Federation of Accounting Professions.

The Thailand Federation of Accounting Professions avails itself of this opportunity to the International Accounting Standards Board the assurances of its highest consideration.

Yours sincerely,

Associate Professor Dr. Vorasak Toommanon  
Chairman of Thai Accounting Standards Board  
Thailand Federation of Accounting Professions  
Bangkok, Thailand



**IFRS Standards Exposure Draft ED/2021/3 - Disclosure Requirements in  
IFRS Standards—A Pilot Approach**

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**Question 1—Using overall disclosure objectives**

Paragraphs DG5–DG7 of this Exposure Draft explain how the Board proposes to use overall disclosure objectives in future.

- (a) Do you agree that the Board should use overall disclosure objectives within IFRS Standards in future? Why or why not?
- (b) Do you agree that overall disclosure objectives would help entities, auditors and regulators determine whether information provided in the notes meets overall user information needs? Why or why not?

**TFAC:** We agree with overall disclosure objectives. As more judgement are expected to be applied in making disclosure, it may provide stakeholders with more relevant information. In addition, such change would lead to eliminating any immaterial and less relevant information.



**Question 2—Using specific disclosure objectives and the disclosure problem**

Paragraphs DG8–DG10 of this Exposure Draft explain how the Board proposes to use specific disclosure objectives in future.

(a) Do you agree that specific disclosure objectives, and the explanation of what the information is intended to help users do, would help entities apply judgements effectively when preparing their financial statements to:

- (i) provide relevant information;
- (ii) eliminate irrelevant information; and
- (iii) communicate information more effectively?

Why or why not? If not, what alternative approach would you suggest and why?

(b) Do you agree that specific disclosure objectives, and the explanation of what the information is intended to help users do, would provide a sufficient basis for auditors and regulators to determine whether an entity has applied judgements effectively when preparing their financial statements? Why or why not?

**TFAC:** We support the concept of specific disclosures objectives for their results. Preparers can spend more time with less boilerplate disclosure. However, the parties involving with financial statement preparation, including auditors and regulators, may find more problems in exercising their judgements. In addition, the financial statement users may find this approach offer less favorable in terms of comparability among entities or even within the same industry. To ease these problems, we appreciate if the standard would include proposed items/ common items that would satisfy the objective.



**Question 3— Increased application of judgement**

Paragraphs DG2–DG3 and DG8–DG13 of this Exposure Draft explain why, in future, the Board proposes to:

- (a) use prescriptive language to require an entity to comply with the disclosure objectives.
- (b) typically use less prescriptive language when referring to items of information to meet specific disclosure objectives. An entity, therefore, would need to apply judgement to determine the information to disclose in its circumstances.

This approach is intended to shift the focus from applying disclosure requirements like a checklist to determining whether disclosure objectives have been satisfied in the entity's own circumstances. Paragraphs BC188–BC191 of the Basis for Conclusions describe the likely effects of this approach on the behaviour of entities, auditors and regulators towards disclosures in financial statements. Paragraphs BC192–BC212 of the Basis for Conclusions describe the likely effects of this approach on the quality of financial reporting, including the cost consequences of the approach.

- (a) Do you agree with this approach? Why or why not? If not, what alternative approach do you suggest and why?
- (b) Do you agree that this approach would be effective in discouraging the use of disclosure requirements in IFRS Standards like a checklist? Why or why not?
- (c) Do you agree that this approach would be effective in helping to address the disclosure problem? For example, would the approach help entities provide decision-useful information in financial statements? Why or why not?
- (d) Do you agree that this approach would be operational and enforceable in practice? Why or why not?
- (e) Do you have any comments on the cost of this approach, both in the first year of application and in subsequent years? Please explain the nature of any expected incremental costs, for example, changes to the systems that entities use to produce disclosures in financial statements, additional resources needed to support the increased application of judgement, additional audit costs, costs for users in analysing information, or changes for electronic reporting.



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**TFAC:** The approach is aimed to eliminate the checklist and allow judgement in determining the disclosures, this may create significant problem in applying the concept. The judgement could be varied among the parties involving with the financial reporting process (e.g. management of the entity, auditors, regulators). Therefore, we believe that since wide range of people involved, the Board shall consider to add proposed items/example to give guideline.

In addition, if all standards do not apply this approach at the same time, the ongoing results will be hard to predict. We are also concerned about the enforceability of the concept/disclosures requirements. It's not easily and consistently applied. Each company may apply the approach differently.

The cost of implementation is also hard to predict however we do not expect it to be immaterial as the new approach requires significant judgement. It may require a redesign of financial reporting system to support the new disclosure.



**Question 4— Describing items of information to promote the use of judgement**

The Board proposes to use the following less prescriptive language when identifying items of information: ‘While not mandatory, the following information may enable an entity to meet the disclosure objective’.

Paragraph BC19–BC26 of the Basis for Conclusions describe the Board’s reasons for this language and alternative options that the Board considered.

Do you agree that the proposed language is worded in a way that makes it clear that entities need to apply judgement to determine how to meet the specific disclosure objective? If not, what alternative language would you suggest and why?

**TFAC:** The language causes no problems. However, it may not make clear entities need to apply judgement to determine how to meet the specific disclosure objectives.

**Question 5— Other comments on the proposed Guidance**

Paragraphs BC27–BC56 of the Basis for Conclusions describe other aspects of how the Board proposes to develop disclosure requirements in IFRS Standards in future applying the proposed Guidance. Paragraphs BC188–BC212 of the Basis for Conclusions explain the expected effects of any disclosure requirements developed using the proposed Guidance.

Do you have any other comments on these aspects? Please indicate the specific paragraphs or group of paragraphs to which your comments relate (if applicable).

**TFAC:** We have no other comments on the proposals.



**Question 6 — Overall disclosure objective for assets and liabilities measured at fair value in the statement of financial position after initial recognition**

Paragraphs BC62–BC73 of the Basis for Conclusions describe the Board’s reasons for proposing the overall disclosure objective for assets and liabilities measured at fair value in the statement of financial position after initial recognition.

Do you agree that this proposed objective would result in the provision of useful information that meets the overall user information needs about assets and liabilities measured at fair value in the statement of financial position after initial recognition? If not, what alternative objective do you suggest and why?

**TFAC:** Since measurement using level 2 and level 3 inputs are common problem, the objective results in the provision of useful information about fair value measurement. Preparers apply the judgement on categorising level 2 and level 3 input effectively.



**Question 7 — Specific disclosure objectives for assets and liabilities measured at fair value in the statement of financial position after initial recognition**

Paragraphs BC74–BC97 of the Basis for Conclusions describe the Board’s reasons for proposing the specific disclosure objectives about assets and liabilities measured at fair value in the statement of financial position after initial recognition, and discuss approaches that the Board considered but rejected.

(a) Do you agree that the proposed specific disclosure objectives capture detailed user information needs about assets and liabilities measured at fair value in the statement of financial position after initial recognition? Why or why not? If not, what changes do you suggest?

(b) Do you agree that the proposed specific disclosure objectives would result in the provision of information about material fair value measurements and the elimination of information about immaterial fair value measurements in financial statements? Why or why not?

(c) Do you agree that the benefits of the specific disclosure objectives would justify the costs of satisfying them? Why or why not? If you disagree, how should the objectives be changed so that the benefits justify the costs? Please indicate the specific disclosure objective(s) to which your comments relate.

(d) Do you have any other comments on the proposed specific disclosure objectives? Please indicate the specific disclosure objective(s) to which your comments relate.

**TFAC:** We support that the specific disclosure objectives capture the information needs of users. Since more judgements are applied in determining the disclosure of each entity, we believe that this may help reduce the less relevant information and increase the more relevant material information.





**Question 8— Information to meet the specific disclosure objectives for assets and liabilities measured at fair value in the statement of financial position after initial recognition**

Paragraphs BC74–BC97 of the Basis for Conclusions describe the Board’s reasons for proposing the items of information to meet the specific disclosure objectives about assets and liabilities measured at fair value in the statement of financial position after initial recognition, and discuss information that the Board considered but decided not to include.

- (a) Do you agree that entities should be required to disclose the proposed items of information in paragraphs 105, 109 and 116 of the [Draft] amendments to IFRS 13? Why or why not? If not, what changes do you suggest and how would they help an entity to meet the specific disclosure objective?
- (b) Do you agree with the proposed items of information that are not mandatory but may enable entities to meet each specific disclosure objective? Why or why not? If not, what changes do you suggest and how would they help an entity to meet the specific disclosure objective?

**TFAC:** We support the proposed items of information regarding the fair value measurement after initial recognition and the reconciliation of fair value measurement for level 3 input. Provisions of such information which involve judgement helps the stakeholders to meet their information needs.



**Question 9— Specific disclosure objective for assets and liabilities not measured at fair value in the statement of financial position but for which fair value is disclosed in the notes**

Paragraphs BC98–BC99 of the Basis for Conclusions describe the Board’s reasons for proposing the specific disclosure objective for assets and liabilities not measured at fair value in the statement of financial position but for which fair value is disclosed in the notes.

(a) Do you agree that the proposed specific disclosure objective captures detailed user information needs about assets and liabilities not measured at fair value in the statement of financial position but for which fair value is disclosed in the notes? Why or why not? If not, what changes do you suggest?

(b) Do you agree that this proposed specific disclosure objective would result in the provision of useful information about assets and liabilities not measured at fair value but for which fair value is disclosed in the notes? Why or why not?

(c) Do you agree that the benefits of the specific disclosure objective would justify the costs of satisfying it? Why or why not? If you disagree, how should the objective be changed so that the benefits justify the costs?

(d) Do you have any other comments about the proposed specific disclosure objective?

**TFAC:** We agree with this specific disclosure objective in all aspects.



**Question 10 — Information to meet the specific disclosure objective for assets and liabilities not measured at fair value in the statement of financial position but for which fair value is disclosed in the notes**

Paragraph BC100 of the Basis for Conclusions describes the Board's reasons for proposing the items of information to meet the specific disclosure objective about assets and liabilities not measured at fair value in the statement of financial position but for which fair value is disclosed in the notes.

- (a) Do you agree that entities should be required to disclose the proposed items of information in paragraph 120 of the [Draft] amendments to IFRS 13? Why or why not? If not, what changes do you suggest and how would they help an entity to meet the specific disclosure objective?
- (b) Do you agree with the proposed items of information that are not mandatory but may enable entities to meet the specific disclosure objective? Why or why not? If not, what changes do you suggest and how would they help an entity to meet the specific disclosure objective?

**TFAC:** We agree that the focus on the level 2 or 3 inputs which by nature requires significant judgement is needed.



**Question 11—Other comments on the proposed amendments to IFRS 13**

Do you have any other comments on the proposed amendments to IFRS 13 in this Exposure Draft, including the analysis of the effects (paragraphs BC214–BC215 of the Basis for Conclusions) and the Illustrative Examples accompanying the Exposure Draft?

**TFAC:** The proposed amendments yield more useful information.

**Question 12— Overall disclosure objective for defined benefit plans**

Paragraphs BC107–BC109 of the Basis for Conclusions describe the Board’s reasons for proposing the overall disclosure objective for defined benefit plans.

Do you agree that this proposed objective would result in the provision of useful information that meets the overall user information needs about defined benefit plans? If not, what alternative objective do you suggest and why?

**TFAC:** We have no further comment with the overall disclosure objective for defined benefit plans.



**Question 13— Specific disclosure objectives for defined benefit plans**

Paragraphs BC110–BC145 of the Basis for Conclusions describe the Board’s reasons for proposing the specific disclosure objectives about defined benefit plans, and discuss approaches that the Board considered but rejected.

- (a) Do you agree that the proposed specific disclosure objectives capture detailed user information needs about defined benefit plans? Why or why not? If not, what changes do you suggest?
- (b) Do you agree that the proposed specific disclosure objectives would result in the provision of relevant information and the elimination of irrelevant information about defined benefit plans in financial statements? Why or why not?
- (c) Do you agree that the benefits of the specific disclosure objectives would justify the costs of satisfying them? Why or why not? If you disagree, how should the objectives be changed so that the benefits justify the costs? Please indicate the specific disclosure objective(s) to which your comments relate.
- (d) Do you have any other comments on the proposed specific disclosure objectives? Please indicate the specific disclosure objective(s) to which your comments relate.

**TFAC:** We expect that the proposed specific disclosure objectives capture needs about defined benefit plans. Consequently, the information provided by the objectives will be material and relevant.



**Question 14— Information to meet the specific disclosure objectives for defined benefit plans**

Paragraphs BC110–BC145 of the Basis for Conclusions describe the Board’s reasons for proposing the items of information to meet the specific disclosure objectives about defined benefit plans, and discuss information that the Board considered but decided not to include.

- (a) Do you agree that entities should be required to disclose the proposed items of information in paragraphs 147F, 147M and 147V of the [Draft] amendments to IAS 19? Why or why not? If not, what changes do you suggest and how would they help an entity to meet the specific disclosure objectives?
- (b) Do you agree with the proposed items of information that are not mandatory but may enable entities to meet each specific disclosure objective? Why or why not? If not, what changes do you suggest and how would they help an entity to meet the specific disclosure objective?

**TFAC:** The information for cost, remeasurement, liabilities (assets), related deferred income tax and, cash flow effects information required by the draft standard is useful. The reimbursement rights information should also be provided.



**Question 15— Overall disclosure objective for defined contribution plans**

Paragraphs BC156–BC158 of the Basis for Conclusions describe the Board’s reasons for proposing the overall disclosure objective for defined contribution plans.

Do you agree that this proposed objective would result in the provision of useful information that meets the overall user information needs about defined contribution plans? If not, what alternative objective do you suggest and why?

**TFAC:** The overall disclosure objective for defined contribution plan may not be needed since the risk may not be significant.

**Question 16— Disclosures for multi-employer plans and defined benefit plans that share risks between entities under common control**

Paragraphs BC159–BC166 of the Basis for Conclusions describe the Board’s reasons for proposing which disclosure objectives should apply for multi-employer plans and defined benefit plans that share risks between entities under common control.

Do you agree that these proposals would result in the provision of useful information that meets the overall user information needs about these plans? If not, what alternative approach do you suggest and why?

**TFAC:** The basis for conclusions provide supporting reasons for disclosure of multi-employer plans and defined benefit plans that share risks between entities under common control. We agree with the supporting reasons.

**Question 17— Disclosures for other types of employee benefit plans**

Paragraphs BC167–BC170 of the Basis for Conclusions describe the Board’s reasons for proposing the overall disclosure objectives for other types of employee benefit plans.

Do you agree that these proposals would result in the provision of useful information that meets the overall user information needs about these plans? If not, what alternative approach do you suggest and why?

**TFAC:** Other long term employee benefit plans need more relevant information. If IAS 19 requires no specific disclosure, it may lose needed information.



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#### **Question 18— Other comments on the proposed amendments to IAS 19**

Do you have any other comments on the proposed amendments to IAS 19 in this Exposure Draft, including the analysis of the effects (paragraph BC216 of the Basis for Conclusions) and the Illustrative Examples accompanying the Exposure Draft?

**TFAC:** No additional comments.