

Amendments to MFRS Practice Statement 2 *Making Materiality Judgements*

Paragraph 5 and the footnote to the quotation from the *Conceptual Framework* in paragraph 5 are amended. New text is underlined and deleted text is struck through.

Definition of material

- 5 The *Conceptual Framework for Financial Reporting (Conceptual Framework)* provides the following definition of material information (MFRS 101 *Presentation of Financial Statements* and MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors* provide similar definitions¹):

Information is material if omitting it or misstating it could influence decisions that the primary users of general purpose financial reports make on the basis of those reports, which provide financial information about a specific reporting entity. In other words, materiality is an entity-specific aspect of relevance based on the nature or magnitude, or both, of the items to which the information relates in the context of an individual entity's financial report.²

- ² Paragraph ~~QC14.2.11~~ of the *Conceptual Framework for Financial Reporting (Conceptual Framework)*. ...

The footnote to the first sentence in paragraph 7 is amended. New text is underlined and deleted text is struck through.

- ⁵ See paragraph ~~OB21.2~~ of the *Conceptual Framework*.

The footnote to the second sentence in paragraph 13 is amended. New text is underlined and deleted text is struck through.

- ¹⁰ See paragraph ~~OB51.5~~ of the *Conceptual Framework*.

The footnote to the last sentence in paragraph 13 is amended. New text is underlined and deleted text is struck through.

- ¹¹ See paragraphs ~~OB91.9~~ and ~~OB101.10~~ of the *Conceptual Framework*.

Amendments to References to the Conceptual Framework in
MFRS Standards

The footnote to paragraph 15 is amended. New text is underlined and deleted text is struck through.

- ¹² See paragraph QC322.36 of the *Conceptual Framework*.

The footnote to the second sentence in paragraph 17 is deleted. Deleted text is struck through.

- ⁴⁴ ~~The International Accounting Standards Board (IASB) considers primary users' resource allocation decisions to include decisions needed to exercise rights while holding investments, such as rights to vote on or otherwise influence management's actions that affect the use of the entity's economic resources. The IASB has tentatively decided to clarify this point, which was previously implicit in the phrase 'decisions to hold equity instruments', as part of its deliberations on the revised *Conceptual Framework*.~~

The footnote to 'credit,' in paragraph 17 is amended and the footnote marker is moved to the end of the second sentence in that paragraph. New text is underlined and deleted text is struck through.

- ¹³ See paragraph OB21.2 of the *Conceptual Framework*.

The footnote to paragraph 18 is deleted. Deleted text is struck through.

- ⁴⁶ ~~Paragraph 1.3 of the Exposure Draft ED/2015/3 *Conceptual Framework for Financial Reporting* (Conceptual Framework ED) proposed to reintroduce the term 'stewardship' and to explain explicitly that investors', creditors' and other lenders' expectations about returns also depend on their assessment of management's stewardship of the entity's resources. The IASB has tentatively decided to confirm this as part of its deliberations on the revised *Conceptual Framework*.~~

The footnote to 'an entity,' in paragraph 18 is amended and the footnote marker is moved to the end of that paragraph. New text is underlined and deleted text is struck through.

- ¹⁵ See paragraph OB31.3 of the *Conceptual Framework*.

The footnote to paragraph 19(b) is amended. New text is underlined and deleted text is struck through.

- ¹⁷ See paragraph OB41.4 of the *Conceptual Framework*.

Amendments to References to the Conceptual Framework in
MFRS Standards

The footnote to the first sentence in paragraph 20 is amended. New text is underlined and deleted text is struck through.

¹⁸ See paragraph QC72.7 of the *Conceptual Framework*.

The footnote to the second sentence in paragraph 21 is amended. New text is underlined and deleted text is struck through.

¹⁹ See paragraph OB61.6 of the *Conceptual Framework*.

The footnote to the last sentence in paragraph 36 is amended. New text is underlined and deleted text is struck through.

²¹ See paragraph OB81.8 of the *Conceptual Framework*.

The footnote to the last sentence in paragraph 38 is amended. New text is underlined and deleted text is struck through.

²² See paragraph OB41.4 of the *Conceptual Framework*.

The footnote to the first sentence in paragraph 56 is amended. New text is underlined and deleted text is struck through.

²⁵ See paragraph QC302.34 of the *Conceptual Framework*.

The footnote in the Appendix to the heading ‘Extracts from the *Conceptual Framework for Financial Reporting*’ is deleted. Deleted text is struck through.

⁴⁵ ~~References to the *Conceptual Framework for Financial Reporting* in this Practice Statement will be updated once the revised *Conceptual Framework* is issued.~~