



# POSITION PAPER ON SUGGESTED AMENDMENTS TO IAS1 & IFRS TRADEMARK GUIDELINES

Issued by: The Auditing and Accounting Standards committee

Approved by Council: 26 September 2024

## A. Background:

The following paper outlines the required and/or suggested amendments to the audit report and statement of management responsibilities due to amendments to IAS 1 and the IFRS Trademark guidelines. This provides guidance to audit firms and entities preparing financial statements.

## B. Guidance:

- **Amendments to audit report**

1. **Required changes to the audit report for audits of financial statements prepared in accordance with IFRS's due to amendments to IAS 1.**

The narrow-scope amendments to IAS 1 require entities to disclose their **material accounting policy information**, instead of **significant accounting policies**. The amendments were effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted. Guidance has been provided by the IASB on how to apply the concept of materiality to accounting policy disclosures.

As outlined in the attached document titled "[IASB Liaison Working Group Publication November 2022](#)", where the circumstances are such that management of the entity is preparing the financial statements in accordance with the IFRSs, including the amendments to IAS 1, the change to the illustrations of the independent auditor's reports on financial statements is shown below.

### INDEPENDENT AUDITOR'S REPORT

To the Shareholders of ABC Company [or Other Appropriate Addressee]

Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of ABC Company (the Company), which comprise the statement of financial position as at December 31, 20X1, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

This amendment to the audit report **should not be applied** to financial statements that are not prepared in accordance with IFRSs. For example, this amendment **should not be applied** to audit reports of financial statements prepared in accordance with IFRS for SMEs or other accounting frameworks, including special purpose financial statements.

This amendment should also be reflected in the financial statements of entities whereby instead of disclosing a 'summary of significant accounting policies', entities are disclosing 'material accounting policy information'.

**B. Guidance (continued):**

• **Amendments to audit report (continued):**

2. **Suggested changes to the audit report due to the IFRS Foundation's recent updates to its Trademark Guidelines relating to Standards issued by the IASB.**

The IFRS Foundation Trademark Guidelines, which were revised in 2023, now require third parties to refer to the accounting standards issued by the IASB as "IFRS Accounting Standards" to distinguish them from the standards issued by the ISSB.

The IASB has not made corresponding amendments to IAS 1 Presentation of Financial Statements. However, IFRS 18 Presentation and Disclosure in Financial Statements, which supersedes IAS 1 for reporting periods beginning on or after 1 January 2027, refers to IFRS Accounting Standards.

This is outlined in the attached documents titled "[IAASB – Implications for IAASB standards from IFRS trademark-guidance](#)" and "[IFRS trademark guidelines](#)".

As outlined in the document attached titled "[IAASB – Implications for IAASB standards from IFRS trademark-guidance](#)", audit firms may wish to consider applying the below amendment to the audit report due to the revisions to the IFRS Foundation's Trademark Guidelines:

**INDEPENDENT AUDITOR'S REPORT**

**To the Shareholders of ABC Company [or Other Appropriate Addressee]**

**Report on the Audit of the Financial Statements**

**Opinion (continued)**

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Company as at December 31, 20X1, and (of) its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

This should be considered for amendment by audit firms in the engagement letters, the statement of management responsibilities (outlined below), and any other deliverables relating to financial statements prepared in accordance with IFRS Accounting Standards.

Entities preparing financial statements also ought to consider referring to "IFRS Accounting Standards" when making the compliance statement in accordance with IAS 1.16 in the preparation of a set of financial statements, in order to explicitly differentiate between the information disclosed under IFRS Accounting Standards and IFRS Sustainability Disclosure Standards.

Audit firms should also consider amending deliverables in relation to financial statements prepared in accordance with IFRS for SMEs should also make reference to these Standards as "IFRS for SMEs Accounting Standard" as outlined in the "IFRS trademark guidelines" attached.

**B. Guidance (continued):**

- **Amendments to the statement of management responsibilities**

Considering the required and suggested changes to the audit report above, the first change to the statement of management responsibilities below is a required change and the second and third changes are suggested changes for consistency with the audit report.

**ABC Company**

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of ABC Company which comprise the statement of financial position as at December 31, 20X1, the statement of comprehensive income, changes in equity and cash flows for the year then ended, and **notes to the financial statements, including material accounting policy information**
- Ensuring that the company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the company's assets, detection/prevention of fraud, and the achievement of company operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilized

**IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB)** and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where **IFRS Accounting Standards** presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the company will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorized for issue, if later. Management affirms that it has carried out its responsibilities as outlined above.