

15 January 2018

IASB Chair
IFRS Foundation
30 Cannon Street
London EC4M 6XH
UNITED KINGDOM

via online submission

Dear Mr Hoogervorst

Exposure Draft ED/2017/6 Definition of Material

Thank you for the opportunity to provide a submission on Exposure Draft ED/2017/6 *Definition of Material - Proposed amendments to IAS 1 and IAS 8*.

The Australian Institute of Company Directors (**AICD**) is committed to excellence in governance. We make a positive impact on society and the economy through governance education, director development and advocacy. Our membership of more than 42,000 includes directors and senior leaders from business, government and the not-for-profit sectors.

The AICD welcomes the proposal to amend the definition of 'material' to assist with a more consistent interpretation of this concept by stakeholders. We support the proposed definition, specifically the inclusion of 'obscuring' as it will provide preparers with an additional parameter for evaluating materiality. We also support the replacement of 'users' with 'primary users' as this change clarifies the type of users that should be considered in assessing materiality.

The AICD believes it would be beneficial for the new definition to be supported by additional guidance, particularly in relation to the term 'obscuring'. This guidance could be contained in IFRS Practice Statement 2 *Making Materiality Judgements*. Developing and incorporating such guidance, along with relevant examples, will assist preparers to interpret and apply the materiality concept properly and consistently.

Also, we encourage the International Accounting Standards Board to liaise with The International Auditing and Assurance Standards Board (IAASB) to ensure that any change to the accounting standards' definition of 'material' is appropriately reflected in the auditing standards' (ISAs) definition of that term.

We hope our comments will be of assistance. If you would like to discuss any aspect of this submission, please contact Ms Kerry Hicks, Senior Policy Adviser, on 61 (0) 2 8248 6635 or at khicks@aicd.com.au.

Yours sincerely



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