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ISBN 978-0-414-03542-3

Printed and bound by L.E.G.O. S.p.A., Lavis (TN), Italy

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## CONSISTENCY – BUT ALSO RELEVANCE

Last year, my introduction to *Insights into IFRS* focused on consistency – both of application and of enforcement. This continues to be a key theme in the preparation of financial statements, and the last year has certainly been busy: the new consolidation suite of standards and the fair value measurement standard have been in effect for a complete annual reporting cycle, and the practical implementation issues are starting to become clear.

Attention will now turn to the new revenue standard. The 2017 effective date might seem a long way off, but already companies are analysing the implications – for both external financial reporting and the core systems used to produce the numbers – and looking at their transition options, including the ability to early adopt. And as we go to print, the complete version of IFRS 9 has just been released, bringing fundamental changes and expected to have a massive impact on the way that banks account for credit losses on their loan portfolios. With the IASB's financial instruments project now substantially complete, implementation efforts can finally begin in earnest.

But as I think about these financial reporting developments, I also find myself thinking more and more about the relevance of financial information. Financial statements are not just a compliance exercise. You stand to maximise their value to investors and get more from your efforts if the most important information is prominent, disclosures are clear and avoid immaterial points that obscure key information, and the messaging in financial statements aligns with other published information, such as the management report and earnings releases.

So my recommendation is twofold ... Use the interpretative guidance in *Insights into IFRS* as your tool to help you apply IFRS to real transactions and arrangements. And to start or further your thinking about financial reporting in the wider sense, type [kpmg.com/betterbusinessreporting](http://kpmg.com/betterbusinessreporting) into your browser.

Mark Vaessen, Global IFRS Leader  
KPMG International Standards Group