



## **Information Note**

# **Requirement to disclose dividends proposed**

**9 April 2019**

### **Mission**

To contribute to Ireland having a strong regulatory environment in which to do business by supervising and promoting high quality financial reporting, auditing and effective regulation of the accounting profession in the public interest

# Information Note

## Requirement to disclose dividends proposed

### 1. Financial reporting requirements

Paragraph 137 of IAS 1 *Presentation of Financial Statements* to disclose dividends proposed.

IAS 1.137 states that:

*An entity shall disclose in the notes:*

- (a) the amount of dividends proposed or declared before the financial statements were authorised for issue but not recognised as a distribution to owners during the period, and the related amount per share; and*
- (b) the amount of any cumulative preference dividends not recognised.*

### 2. Application of requirements

IAS 1.137(a) requires entities to provide two separate disclosures: firstly, the total amount of dividends proposed or declared before the financial statements were approved by the directors but which had not been recognised as a distribution in those financial statements and, secondly, the related dividend per share.

### 3. Evaluation of extent of compliance by issuers

In undertaking examinations of issuers' financial reports, IAASA has observed that a number of equity issuers have failed to provide the complete disclosures as required by IAS 1.137.

Certain issuers, while appropriately disclosing the relevant amount per share of dividend proposed or declared, have failed to disclose the total amount of such dividends.

### 4. Compliance with requirements

Issuers are reminded that IAS 1 requires the disclosure of both:

- (a) the amount of such dividends; and
- (b) the related amount per share.

Issuers are also reminded that IAASA will challenge instances where all the disclosures required by IAS 1.137 appear not to have been provided in the notes to the financial statements.

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