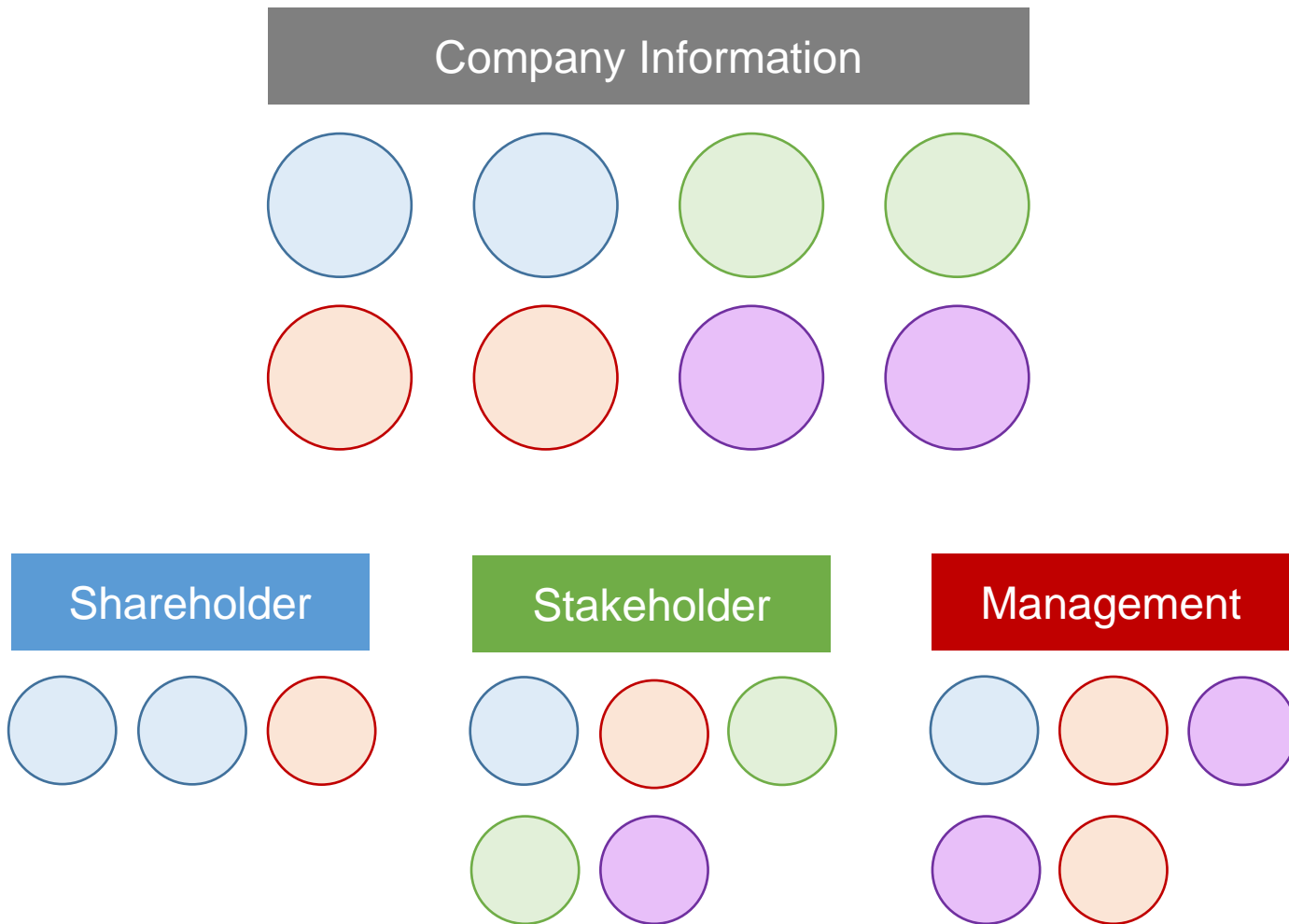


# 50 Shades of Materiality – Different Users, Different Needs



# Materiality Depends on Audience, Decisions (and Importance)

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## US Supreme Court Definition

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Presenting a **substantial likelihood** that the disclosure of the omitted fact would have been viewed by **the reasonable investor** as having significantly altered the “total mix” of information ... the omitted fact would have assumed actual **significance in the deliberations...**

-TSC Industries, Inc. v. Northway, Inc., 426 U.S. 438 (1976)

## IASB Definition

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An entity-specific aspect of relevance (**making a difference** in **users’ decisions**) based on the nature or magnitude of the information in a **financial report**



-IASB, Conceptual Framework for Financial Reporting 2010, QC 11 (2010)

## Faithful Representation Requires Appropriate Metrics

- **From:** Percentage of marketing campaigns where young people make up 10-30% of target audience



- **To:** Number of advertising impressions, percentage made on individuals above the legal drinking age