The proposed amendments do not improve Concepts Statement 8. Although the board wants to be consistent with the legal concept of materiality in the U.S., only defining it by the legal concept removes a more concise understanding of materiality and how it relates to the corporate world. The legal definition should be part of the concept statement, because it is in the context of antifraud provisions, but the board should further define materiality past the point of just antifraud. The board does not want accountants to toe the line. In the military, an officer of a lower rank cannot remove an order or be inconsistent with an order from a higher ranked officer, but the lower ranking officer can "tighten" the order further. In the same way, the board should not be in disagreement with the U.S. Supreme Court's broad definition of materiality, but the board can give a more precise definition in the context of financial reporting. In this way, the board is consistent with the broad definition of materiality by the U.S. Supreme Court's definition as it relates to antifraud provisions, and can further define and be consistent with IASB's definition of materiality.
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