

EFRAG SECRETARIAT PAPER FOR PUBLIC MEETING

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Technical Work Plan October 2016 – February 2017

Objective

- 1 The objective of this session is for the EFRAG Board to conduct its monthly review of the technical work plan and advise of any necessary changes.

Background

- 2 In the past, the EFRAG Board requested that:
 - (a) an explanation be provided for any IASB implementation projects that are classified as significant; and
 - (b) the work plan be updated and presented for approval at every meeting.
- 3 Attachment 1 to this note contains the reasoning behind classifying IASB implementation projects as significant.
- 4 At its meeting in September 2016, the EFRAG Board agreed that the classification of IASB research projects as significant or for processing by written procedure should be deferred until the significance of each project emerges.
- 5 Attachment 2 to this note contains the draft technical work plan, based on the IASB's work plan as at 23 September 2016 and the research work plan. It also identifies the expected timing of written procedures.

Question for the EFRAG Board

- 6 Does the EFRAG Board approve the technical work plan?

Attachment 1: Basis for classifying minor projects as significant

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

- 7 *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts* was designed to address the concerns of the insurance industry that the effective date of IFRS 9 *Financial Instruments* is significantly earlier than the effective date of the new insurance contracts standard. The Standard was issued on 12 September 2016 and discussed by the ARC at its meeting on 21 September 2016.
- 8 This project is classified as significant because of the importance to Europe, including the impact on the endorsement of IFRS 9.

Classification and Measurement of Share-based Payment Transactions: Amendments to IFRS 2

- 9 The EFRAG Board decided to discuss the endorsement advice in meeting because of the concerns of some members that entities in jurisdictions with a progressive tax system might face significant operational challenges with the scope definition for the exception for 'net settled features in the Amendments.

IFRS Practice Statement: Application of Materiality to Financial Statements

- 10 In order to assess whether the draft Practice Statement is likely to have the desired impact, the EFRAG Board originally decided to discuss the draft comment letter in public. However, the draft comment letter was finalised by written procedure when the November meeting of the EFRAG Board was rescheduled as a conference call.
- 11 The EFRAG Board finalised the comment letter to the IASB in the March 2016 meeting. The project was discussed at the July ASAF meeting and the IASB is now deliberating its next steps.

Post-implementation reviews

- 12 Given the controversial nature of the Standards that will be subject to post-implementation reviews, the EFRAG Board agree at its September 2016 meeting that the EFRAG views should be classified as significant.

Attachment 2: Work plan October 2016 – February 2017

Legend

Bold = EFRAG Board decision point **DCL** = Draft comment letter
WP = Written procedure **FCL** = Final comment letter
DP = Discussion paper **DEA** = Draft endorsement advice
ED = Exposure draft **FEA** = Final endorsement advice

Project	Most recent status		2016				2017	
			Oct 6	Oct CC	Nov 10	Dec 13	Jan 12	Feb 7
IASB SIGNIFICANT PROJECTS								
Leases (IFRS 16 issued January 2016)	ED DCL July 2013	ED FCL Oct 2013	DEA	DEA			Consider issues	Consider issues
Insurance contracts (IFRS expected March 2017)	ED DCL Aug 2013	ED FCL Dec 2013			Industry update		Consider issues	
Applying IFRS 9 <i>Financial Instruments</i> with IFRS 4 <i>Insurance Contracts</i> (IFRS expected in September)	ED DCL Dec 2015	ED FCL Feb 2016			DEA		FEA	
Rate-regulated activities (DP expected after 6 months)	DP DCL Oct 2014	DP FCL Jan 2015						
Disclosure Initiative – Principles of Disclosure (DP expected December 2016)						Consider issues	ED DCL	

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			Oct 6	Oct CC	Nov 10	Dec 13	Jan 12	Feb 7
Disclosure initiative – Materiality Practice Statement (ED comment period closed 26 Feb)	ED DCL Nov 2015	ED FCL Mar 2016						
Conceptual Framework (CF expected after 6 months)	ED DCL July 2015	ED FCL Dec 2015						
Dynamic Risk Management (DP expected after 6 months)	DP DCL July 2014	DP FCL Oct 2014				Update on outreach		
Classification and measurement of share-based payment transactions (IFRS issued June 2016)	ED DCL Dec 2014	ED FCL April 2015	DEA			FEA		
2015 Agenda Consultation (Feedback statement expected within 6 months)	DCL Oct 2015	FCL Jan 2016					Consider IASB decisions	
PIR: IFRS 13 <i>Fair Value Measurement</i> (PIR starting within 6 months)								
PIR: Consolidation IFRSs 10-12 (PIR starting after 6 months)								
IASB PROJECTS BY WRITTEN PROCEDURE: Implementation								
Changes in accounting policies and estimates (ED expected within 6 months)								ED DCL WP

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Project	Most recent status		2016				2017	
			Oct 6	Oct CC	Nov 10	Dec 13	Jan 12	Feb 7
Clarifications to IFRS 8 from post-implementation review (ED expected within 6 months)								ED DCL WP
Classification of liabilities (IFRS expected after 6 months)	ED DCL Mar 2015	ED FCL Jun 2015						
Definition of a Business and Accounting for Previously Held Interests (Comment period closes 18 October)	ED DCL July 2016				ED FCL WP			
Foreign currency transactions and advance consideration (IFRIC expected December 2016)	ED DCL Nov 2015	ED FCL Feb 2016						DEA WP
Amendments IAS 19, IFRIC 14 (Comment period closed 19 Oct 2015)	ED DCL July 2015	ED FCL Nov 2015						
Transfers of investment property (IFRS expected December 2016)	ED DCL Dec 2015	ED FCL Mar 2016						DEA WP
Uncertainty over Income Tax Treatment (IFRIC expected after 6 months)	ED DCL Nov 2015	ED FCL Feb 2016						
Annual Improvements 2014-2016 (IFRS expected December 2016)	ED DCL Dec 2015	ED FCL Mar 2016						DEA WP
Annual Improvements 2015-2017 (ED expected within 6 months)							ED WP	

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Project	Most recent status	2016				2017	
		Oct 6	Oct CC	Nov 10	Dec 13	Jan 12	Feb 7
IASB PROJECTS: Research							
Primary Financial Statements (Decide project scope within 3 months)							
Business Combinations Under Common Control (DP expected after 6 months)							
Financial Instruments with Characteristics of Equity (DP expected after 6 months)							
Goodwill and impairment (Decide project direction after 6 months)							
Discount rates (Publish research summary within 6 months)							
Share-based Payment (Publish research summary within 3 months)							
EFRAG RESEARCH PROJECTS							
Research projects						Update	

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			Oct 6	Oct CC	Nov 10	Dec 13	Jan 12	Feb 7
Goodwill amortisation and impairment								
Accounting implications of the current interest rate environment						Project update		
Pension plans								
Transactions with governments with non-identifiable exchange								
Equity instruments - impairment								