



EFRAG Update

The EFRAG Update is published on a monthly basis to inform constituents about due process publications, public technical discussions held and decisions taken during that month.

December Publications

Draft Endorsement Advice

On 15 December, EFRAG published its draft endorsement advice on the IASB's Publication *Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)*

For more details, please see the [EFRAG website](#).

Open consultations

EFRAG open public consultations

Title and description	Closing date
EFRAG's Discussion Paper Goodwill impairment test: can it be improved?	31 December 2017
EFRAG's Draft Comment Letter on IASB's Exposure Draft ED/2017/6 Definition of Material (Proposed amendments to IAS 1 and IAS 8)	5 January 2018
EFRAG's Draft Endorsement Advice on the IASB's Publication Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	16 February 2018

EFRAG Update

December 2017 meetings

This edition of the EFRAG Update contains summaries of meetings and conference calls held in December by:

- The EFRAG Board; and
- The EFRAG Technical Expert Group (EFRAG TEG).

Detailed meeting reports

EFRAG Board meeting on 14 December

The EFRAG Board met on [14 December](#) and discussed the following:

- IFRS 17 *Insurance Contracts*
- IASB Publication *Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)*
- EFRAG Research Project *Equity instruments - Impairment and Recycling*
- EFRAG work plan

IFRS 17 Insurance Contracts

The EFRAG Board considered the proposed project plan for developing a draft endorsement advice on IFRS 17 and identified where additional details should be added to the plan and when additional meetings of the EFRAG Board would be needed. The EFRAG Board decided that an updated project plan should be presented at each meeting of the EFRAG Board.

The EFRAG Board continued its discussion of the requirements in IFRS 17. No decisions were taken at the meeting.

IASB Publication Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)

The EFRAG Board approved the draft endorsement advice on the IASB's amendments to IAS 28 *Investments in Associates and Joint Ventures*. The draft endorsement advice is available on the [EFRAG website](#) and is open for comments until 16 February 2018.

EFRAG Research Project Equity instruments - Impairment and Recycling

The EFRAG Board considered the draft report for Phase 1 of the project requested by the European Commission and decided that the report should include a summary of the issues raised and inferences that can be drawn from the data collected. The EFRAG Board will consider the revised report at a conference call in January 2018.

EFRAG work plan

The technical work plan was approved as presented.

EFRAG Board – December written procedures

The EFRAG Board has not approved documents using written procedures in December.

EFRAG Board – Expected January written procedures

During January 2018, the EFRAG Board is expected to approve the following documents using written procedures:

- EFRAG's Final Comment Letter on the IASB's Exposure Draft ED/2017/5 *Accounting Policies and Accounting Estimates (Proposed amendments to IAS 8)*;
- EFRAG's Final Comment Letter on the IASB's Exposure Draft ED/2017/6 *Definition of Material (proposed amendments to IAS 1 and IAS 8)*; and
- EFRAG's Draft Endorsement Advice on the IASB's Publication *Annual Improvements to IFRS Standards 2015-2017 Cycle (Amendments to IAS 12, IAS 23 and IFRS 11 & IFRS 3)*.

EFRAG TEG meeting on 18-19 December

At its meeting on [18-19 December](#), EFRAG TEG discussed:

- IFRS 17 *Insurance Contracts*
- IASB Exposure Draft ED/2017/5 *Accounting Policies and Accounting Estimates (Proposed amendments to IAS 8)*
- EFRAG Research Project *Pensions*
- EFRAG Research Project *Equity Instruments – Impairment and Recycling*

IFRS 17 *Insurance Contracts*

EFRAG TEG discussed issues papers in relation to: (i) level of aggregation, (ii) reinsurance, (iii) locked-in versus a current rate for accreting CSM, (iv) transition and (v) scope of the Variable Fee Approach.

EFRAG TEG also discussed the case study for assessing IFRS 17 and suggested minor drafting amendments seeking information on the expected impact of IFRS 17. A simplified case study will be developed aimed at obtaining input from medium-sized insurers.

EFRAG TEG considered the detailed input gathered from the EFRAG IAWG questionnaire on the unit of account used by insurers, the identification of onerous contracts and how the current accounting practices support the long-term liability driven business model.

Finally, EFRAG TEG was provided with an educational session on IFRS 17.

No decisions were taken at the meeting.

IASB Exposure Draft ED/2017/5 *Accounting Policies and Accounting Estimates (Proposed amendments to IAS 8)*

EFRAG TEG discussed the feedback received in response to its draft comment letter. EFRAG TEG agreed to recommend a final comment letter to the EFRAG Board that is consistent with EFRAG's preliminary views in the draft comment letter but reflects some drafting improvements.

EFRAG Research Project *Pensions*

EFRAG TEG received an update on the research project on the accounting for return-based pension plans. EFRAG TEG recommended that the project considers how the accounting should reflect current trends in the pension plans being offered by European companies. EFRAG TEG members provided their views on the scope of the project and the different approaches being considered. EFRAG TEG also discussed how a fulfilment value approach might be applied to pension plans and the basis for comparing the advantages and limitations of the different approaches.

No decisions were taken at the meeting.

EFRAG Research Project *Equity Instruments – Impairment and Recycling*

EFRAG TEG discussed a number of prior decisions in relation to the impairment approaches and their characteristics to be included in the forthcoming discussion paper. EFRAG TEG members agreed that the approaches to be included should be limited to the two previously discussed. These two approaches are: a model based on the impairment requirements in IAS 39 for available-for-sale equity instruments but with additional guidance in order to address improve consistency; and a dual measurement model. EFRAG TEG members also noted that the consultation process might lead to calls to consider other approaches at a later stage. EFRAG TEG members generally suggested that the discussion paper should not express a preferred view for each issue discussed. The discussion paper should, however, include only proposals that have some conceptual and practical merit, and describe their advantages and limitations.

No decisions were taken at the meeting.