

This paper has been prepared by the EFRAG Secretariat for discussion at a public meeting of EFRAG TEG-CFSS. The paper forms part of an early stage of the development of a potential EFRAG position. Consequently, the paper does not represent the official views of EFRAG or any individual member of the EFRAG Board or EFRAG TEG-CFSS. The paper is made available to enable the public to follow the discussions in the meeting. Tentative decisions are made in public and reported in the EFRAG Update. EFRAG positions, as approved by the EFRAG Board, are published as comment letters, discussion or position papers, or in any other form considered appropriate in the circumstances.

Outreach Activities on Various Projects

Issues Paper

Objective

- 1 The objective of the session is to discuss possible outreach activities on the following IASB upcoming publications:
 - (a) Management Commentary;
 - (b) The IASB’s Third Agenda Consultation; and
 - (c) Disclosure Initiative—Targeted Standards-level Review of Disclosures.
- 2 The first two topics will also be discussed at the ASAF meeting on 19 March 2021; in which the IASB staff will highlight the main areas of the forthcoming publications and ask members to advise on possible outreach activities for the IASB.
- 3 The technical content of the proposals in the publications will not be discussed at this meeting.

How do these projects stand in EFRAG’s overall work plan for 2021?

- 4 As a reminder, the following IASB Due Process documents are expected to be open for comments over Q2 to Q4 2021:

Project	Publication	Consultation periods
Business Combinations under Common Control:(BCUCC)	30 November 2020	270 days (i.e., 1 September 2021)
Rate-Regulated Activities (RRA)	January 2021	150 days (30 June 2021) ¹
Disclosure Initiative—Targeted Standards-level Review of Disclosures	(end) March 2021	180 days (i.e., end Sept 2021)
Lack for Exchangeability	March 2021	120 days (July 2021)
Request for Information on the Agenda Consultation	End March 2021	120 days (July 2021)
Management Commentary	End April 2021	Will be decided by the IASB at its March 2021 meeting
Disclosure Initiative—Subsidiaries that are SMEs	H2 2021	180 days
RFI on IFRS 9 (PiR)	Q3 2021	Not known yet

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- 5 EFRAG is planning to perform extensive outreach programmes on targeted IASB due process documents including BCUCC; PIR IFRSs 10,11 and 12, RRA and PIR IFRS 9).
- 6 For the other projects (including Management Commentary, Disclosure initiative and the IASB Agenda Consultation) EFRAG is planning, to primarily rely on consulting with its advisory bodies and the public consultations on its comment draft comment letters.
- 7 The following sections present the work plans for each these projects.

Management Commentary

- 8 In November 2017, the IASB added to its agenda a project to revise the IFRS Practice Statement 1 Management Commentary Practice Statement (MCPS).
- 9 In undertaking the project, the IASB considered how broader financial reporting could complement financial statements prepared applying IFRS Standards. The ED to the revised MCPS (expected at the end of April 2021) is expected to include:
 - (a) an objective for management commentary as a whole, supported by a set of disclosure objectives for six identified areas of content (business model, strategy, resources and relationships, risks, external environment, and financial performance and position);
 - (b) requirements for the attributes that information in management commentary should possess; including descriptions of those attributes and application guidance to help entities identify and provide information that possesses those attributes. For example, that management commentary should provide information that is material to investors and creditors, and be complete and balanced; and
 - (c) application guidance providing examples of possible key matters and of information that management commentary might need to provide to satisfy the disclosure objectives.
- 10 Agenda paper 07-02 contains a high-level presentation of the project by the IASB staff to ASAF members.

EFRAG's Work Plan

- 11 The EFRAG Secretariat has so far gotten input from the EFRAG TEG, EFRAG User Panel and EFRAG Academic Panel on the IASB's tentative decisions related to revised MCPS proposals. The EFRAG Secretariat is planning to further consult with the following advisory bodies in elaborating its draft comment letter:

Date	Meeting	Objectives
3 March 2021	CFSS-TEG	To discuss work plan and possible outreach
March / April 2021	Advisory Panel on Intangibles (API)	To seek API members views on the proposals on Intangibles in the revised MCPS
March/April 2021	European Lab PTF-Reporting on Non-Financial Risks and Opportunities and Linkage to the Business Model (PTF-RNFRO)	To seek PTF—RNFRO views on proposals on business model, strategy, resources and relationships in the revised MCPS; and on the compatibility of revised MCPS with sustainability industry/topic-specific guidelines.
20 April 2021	TEG + User Panel joint meeting	To seek User Panel views on the revised MCPS proposals

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5 May 2021	EFRAG Board	To provide an update
19/20 May 2021	TEG	To agree to recommend a Draft Comment Letter (DCL)
9 June 2021	EFRAG Board	To approve a DCL
After 9 June 2021	Interviews with a targeted group of preparers and users of management commentary information	To get feedback on the EFRAG DCL

- 12 As mentioned in paragraphs 6 and 11 above, EFRAG is planning to primarily rely on consulting its advisory bodies whilst developing a response to the ED on the revised MCPS. EFRAG will also explore on how to collaborate and participate in IASB's outreach program (e.g., in assessing enforceability of requirements and interaction with local regulations, getting feedback from preparers and users). EFRAG will only hold public events on the project if there is a clear need expressed by affected stakeholders including EFRAG CFSS.

IASB's outreach plan

- 13 The following areas of focus are suggested by the IASB staff as possible outreach activities:

Stakeholders	Possible areas of focus for outreach
Investors and creditors	<ul style="list-style-type: none"> whether the proposals cover information that investors and creditors need
National standard setters	<ul style="list-style-type: none"> enforceability of the proposed requirements any potential barriers to adoption of the proposed Practice Statement any local requirements or guidance that could be incorporated in the proposed Practice Statement to make it more effective
Organisations issuing sustainability guidelines	<ul style="list-style-type: none"> compatibility of the proposed Practice Statement with industry-specific or topic specific guidelines
Preparers •	<ul style="list-style-type: none"> whether the proposed application guidance would enable entities to apply the proposed requirements • costs and challenges related to applying the proposals
Auditors	<ul style="list-style-type: none"> whether any of the proposals would prevent auditors from providing assurance on management commentary

- 14 At the March ASAF meeting, the IASB staff will be seeking views on the above and the possible involvement of ASAF members in the outreach activities.

Questions for EFRAG CFSS-TEG – Management Commentary	
15	Do EFRAG CFSS and EFRAG TEG have comments or suggestions on EFRAG's work plan presented in paragraphs 11 and 11?
16	Do EFRAG CFSS and EFRAG TEG have comments or suggestions on the IASB staff's tentative outreach plans presented in paragraph 13?
17	Do you plan to conduct specific outreach activities in your jurisdiction and if so, are you interested in conducting joint outreach events? If so, how could EFRAG or the IASB support your outreach activities?

IASB Third Agenda Consultation

- 18 The IASB is required to undertake a public consultation on its work plan every five years. The primary objective of agenda consultation is to seek public comments on:
- (a) the strategic direction and balance of the IASB’s activities;
 - (b) the criteria for assessing the priority of financial reporting issues that may be added to the IASB’s work plan; and
 - (c) priority projects i.e., financial reporting issues that should be given priority in the IASB’s work plan.
- 19 The publication of a Request for Information is expected in end March 2021 with a 120-day consultation period.
- 20 Agenda paper 07-03 provides an overview of the content and questions expected to be included in the IASB’s Request for Information. The paper will form the basis for the discussion at the March ASAF meeting.
- 21 At the meeting, the IASB staff will not suggest specific areas of focus for its outreach activities but rather seek views and input from members:
- (a) the type of outreach activities that the IASB should undertake;
 - (b) how ASAF members could help with the IASB’s outreach activities; and
 - (c) how the IASB could support ASAF members’ in their own outreach activities

EFRAG’s Work Plan

- 22 EFRAG TEG and EFRAG CFSS have already discussed the IASB consultation and project priorities on several occasions in September 2019, December 2019 and at the 2 December 2020 joint meeting. At the latter meeting, members also discussed interactions with EFRAG own research agenda consultation. The User Panel was also consulted on 7 November 2019.
- 23 The following further consultations and discussions are being considered:

Date	Meeting	Objectives
3 March 2021	EFRAG CFSS-TEG	To discuss project plan and outreach
4 March 2021	EFRAG TEG	To confirm key messages for the forthcoming Draft Comment letter
15 March 2021	EFRAG Board	To provide an update
20 April 2021	User Panel (joint meeting with EFRAG TEG)	To collect Users Panel’s views on priority projects and IASB approach
21 April 2021	EFRAG TEG	To agree to recommend a Draft Comment Letter and online Survey
7 May 2021	EFRAG Board	To approve a Draft Comment Letter
14/15 July 2021	EFRAG TEG	To discuss and agree to recommend a Final Comment Letter
End July	EFRAG Board (additional Board needed)	To approve a Final Comment Letter

- 24 As a reminder, for the previous IASB Agenda Consultation in 2015, EFRAG organised two outreach events together with the IASB, one in Paris (with the Autorité des Normes Comptables) and in Copenhagen (with the Confederation of Danish Industry and FSR - Danish Auditors) covering: the IASB’s 2015 Agenda

Consultation, the Trustees' Review of Structure and Effectiveness and EFRAG's Proactive Work Consultation.

Interactions with EFRAG's own research agenda consultation

- 25 As discussed at the December CFSS-TEG meeting, EFRAG completed its previous Research agenda consultations in 2018, and the timing of the 2021 IASB Agenda Consultation offers an opportunity to consider the interactions with EFRAG's own research agenda consultation.
- 26 In order to leverage on the synergies between the two consultations and alleviate the burden for respondents, it is envisaged that EFRAG's agenda consultations could be 'combined' with the consultation on the draft response to the IASB's RFI into a single consultation document.
- 27 To encourage engagement with stakeholders, it is envisaged that stakeholders may provide input by submitting a formal comment letter or by responding to an online survey asking them to comment on the IASB's approach and to prioritise projects. A specific survey (or set of questions) could be developed for users to foster participation of that particular type of respondents.
- 28 In the consultation, in addition to the financial reporting projects identified in the IASB's RFI EFRAG could also consider additional projects suggested through its internal outreaches with consultative bodies as well projects that are identified as essential to its strategy in serving the EU public interest.

Questions for EFRAG CFSS-TEG- IASB Third Agenda Consultation

- 29 Do EFRAG CFSS and EFRAG TEG have comments or suggestions on the proposed EFRAG workplan?
- 30 Do EFRAG CFSS and EFRAG TEG have suggestions on the type of outreach activities that the IASB should undertake?
- 31 Do you plan to conduct specific outreach activities in your jurisdiction and if so, how could EFRAG or the IASB support your outreach activities?

Disclosure Initiative—Targeted Standards-level Review of Disclosures

- 32 On 21 March 2018, the IASB added a project to its agenda to perform a targeted Standards-level review of disclosure requirements. in response to feedback on the Disclosure Initiative—Principles of Disclosure Discussion Paper. In the ED (expected in end March 2021) the IASB will:
 - (a) develop guidance for the IASB itself to use when developing and drafting disclosure objectives and requirements in future; and
 - (b) test the guidance for the IASB by applying it to the disclosure sections of IAS 19 Employee Benefits and IFRS 13 Fair Value Measurement.
- 33 The project was last discussed by EFRAG TEG in July 2020 ([here](#)). EFRAG CFSS and TEG also discussed this project in the EFRAG TEG-CSFF meeting of March 2019 (EFRAG TEG-CSFF meeting documents [here](#)).
- 34 EFRAG's current work plan include the following milestones:

Date	Meeting	Objectives
3 March 2021	CFSS-TEG	To discuss work plan and outreach
14 April 2021	EFRAG Pension Advisory Panel	To discuss the ED proposals on IAS 19

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Date	Meeting	Objectives
Early April 2021	EFRAG Financial Instruments Working Group	To discuss the ED proposals on IFRS 13
20 April 2021	TEG + User Panel joint meeting	To collect Users Panel's views on the proposals
21 April 2021	TEG	To agree to recommend a Draft Comment Letter
7 May 2021	EFRAG Board	To approve a Draft Comment Letter
16 Sept 2021	TEG	To discuss and agree to recommend a Final Comment Letter
6 October 2021	EFRAG Board	To approve a Final Comment Letter

- 35 During the consultation period EFRAG could also reach out to other advisory groups such as EFRAG Insurance Working Group or EFRAG Academic Panel to consult on the proposed changes to the disclosures requirements of IAS 19 and IFRS 13. After the publication of the ED, the chairs of these bodies will be asked whether they would like to contribute and how (meeting, written consultation ...).

Questions for EFRAG CFSS-TEG – Disclosure Initiative

- 36 Do EFRAG CFSS and EFRAG TEG have comments or suggestions on the proposed EFRAG workplan?
- 37 Do EFRAG CFSS and EFRAG TEG have suggestions on the type of outreach activities that the IASB should undertake?
- 38 Do you plan to conduct specific outreach activities in your jurisdiction and if so, how could EFRAG or the IASB support your outreach activities?

- 39 In addition to this cover note, agenda papers for this session are:

- (a) Agenda paper 07-02 – ASAF 03- Management Commentary; and
- (b) Agenda paper 07-03 – ASAF 02 – IASB Third Agenda Consultation.