



EFRAG UPDATE

FEBRUARY 2019

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.

PUBLICATIONS

Draft Comment Letter

On 24 February 2020, EFRAG published its draft comment letter on the IASB Exposure Draft *ED/2019/7 General Presentation and Disclosures (Primary Financial Statements)*.

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

European Reporting Lab & EFRAG

On 6 February 2020, the Project Task Force of Climate-related Reporting of the European Lab launched its report: *'How to improve climate-related reporting – A summary of good practices from Europe and beyond'*.

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

Literature review on intangibles

On 5 February 2020, EFRAG published a literature review on intangibles as part of its research project on better information on intangibles.

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

OPEN CONSULTATIONS

Title and description	Closing date
EFRAG draft comment letter on the IASB Exposure Draft <i>ED/2019/7 General Presentation and Disclosures (Primary Financial Statements)</i>	19 June 2020

For more information please see [EFRAG's consultations page](#).



EFRAG BOARD

Meeting

The EFRAG Board met on [18 February 2020](#) and discussed the following topic:

IFRS 17 *Insurance Contracts*

The EFRAG Board received an update on the project and reviewed the activities planned in preparation of the draft endorsement advice.

IASB Project *Primary Financial Statements*

The EFRAG Board approved the EFRAG's Draft Comment Letter in response to the IASB's Exposure Draft 2019/7 *General Presentation and Disclosures*. Comments on the draft comment letter are requested by 19 June 2020.

IASB Project *IBOR Reform and its Effects on Financial Reporting – Phase 2*

The EFRAG Board received an update on the IASB project and agreed to issue a 'pre-consultation document' prepared on the basis of the decisions by the IASB, in anticipation of the ED, to allow for a longer consultation period. The pre-consultation will be carried out in April, followed by the consultation on EFRAG's Draft Comment Letter, expected to be carried out in the first two weeks of May.

IASB Project *Rate-regulated Activities*

The EFRAG Board received an update on the project and activities planned.

IASB Research Project *Post-Implementation Review of IFRS 10, IFRS 11 and IFRS 12*

The EFRAG Board received an update on the project and activities planned.

Update of workplan and any other matters

The EFRAG Board approved the technical workplan.

Next meeting

The EFRAG Board will next meet on [17 March 2020](#).

February 2020 written procedures

The EFRAG Board has not approved any documents using written procedures in February 2020.

Expected March 2020 written procedures

The EFRAG Board is expected to approve the following document using written procedures in March 2020:

- EFRAG's Draft Endorsement Advice on the IASB's Amendments to IAS 1 *Classification of Liabilities as Current or Non-current*.

EFRAG TECHNICAL EXPERT GROUP (TEG)

Conference call

EFRAG held a conference call on [5 February 2020](#) and discussed the following topics:

IASB Project *Rate-regulated Activities*

EFRAG TEG discussed the IASB tentative decisions on the accounting model for regulatory assets and regulatory liabilities with respect to interaction with other IFRS Standards, presentation and disclosures, and transition requirements of the model.

Regarding interaction with existing IFRS Standards, EFRAG TEG members had mixed views on the exception to the measurement principle in IFRS 3 *Business Combinations* provided for regulatory assets and regulatory liabilities acquired in a business combination. Some members disagreed with the exception on the basis that there were other assets that did not trade in an active market.

EFRAG TEG members expressed concerns with respect to presentation of regulatory expenses and income in other comprehensive income. In addition, some members commented that the proposed disclosures required detailed qualitative and quantitative information and could additionally create inconsistencies with other IFRS Standards.

EFRAG TEG members generally supported the transition requirements for the model. However, some suggestions were made for the IASB to consider a form of a modified retrospective approach. Members reiterated that the transition requirements will have an impact on the interaction of the model with the existing IFRS Standards.

No decisions were taken at the meeting.

Next meeting

EFRAG TEG will next meet [4-5 March 2020](#).



EUROPEAN REPORTING LAB

On 6 February 2020, the Project Task Force of Climate-related Reporting (PTF-CRR) of the European Lab launched its report: *'How to improve climate-related reporting – A summary of good practices from Europe and beyond'* (see Publication section).



The primary focus of the PTF-CRR was on identifying good reporting practices and assessing the level of maturity in the implementation of the TCFD recommendations, while also taking into consideration the climate-related reporting elements of the EU Non-financial Reporting Directive and the related European Commission non-binding guidelines.

The project addressed two areas: a general review of climate-related disclosures (detailed findings documented in Supplement 1), and an in-depth review of scenario analysis reporting (detailed findings documented in Supplement 2). The main document outlines the key messages and synopsis of the findings, based on the content of its two supplements.

European Lab Steering Group (European Lab SG)

The European Lab SG met on the same day as the launching event of the PTF-CRR report. Members commended the quality of the work done and conveyed their congratulations and thanks to all the members of the PTF-CRR and discussed possible communication actions to raise stakeholders' awareness and engagement on the PTF-CRR report.

Members also discussed the feedback from the European Lab SG and PTF-CRR Performance Reviews and the lessons for the second project of the European Lab on Reporting of non-financial risks and opportunities, and linkage to the business model.

Next Steps

European Lab SG agreed to discuss, the scope and decide on the launch of the next projects of the European Lab at a future meeting.

Project Task Force on Climate-Related Reporting

The PTF-CRR met for the last time on 7 February 2020. Members shared lessons learnt from the project and provided suggestions for the next project. Members also discussed the communication actions to raise awareness and engagement on the published report.

Lastly, the PTF-CRR considered that it had fulfilled its mandate with the issue of its report and decided to bring the project to a close.