



# EFRAG UPDATE

FEBRUARY 2021

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.

## Coronavirus – Update on EFRAG’s meetings and events

EFRAG will continue to monitor the impact of COVID-19 pandemic on its activities recognising the circumstances and priorities of our stakeholders and adapt its activities accordingly:

- All EFRAG public meetings of the EFRAG Board, EFRAG TEG and EFRAG CFSS are turned into webcast meetings until further notice. Due to the particular circumstances, the meetings have been shortened and the frequency has been increased. Digital access to these public meetings is provided as usual;
- All EFRAG public events and outreaches take place into electronic format (see below) until further notice;
- EFRAG has adjusted the timelines of several of its projects taking into account the priorities of its stakeholders during the pandemic and is flexible in obtaining input through outreaches, field tests and other means, recognising the availability and individual circumstances of the stakeholders concerned. Input of stakeholders is an essential part of EFRAG’s due process as public interest organisation.

EFRAG staff is mainly working from home and is contactable by email, Teams or phone.

You can find contact details [here](#).

## PUBLICATIONS

### Draft Endorsement Advice

On 17 February 2021, EFRAG published Preparatory document for its Draft Endorsement Advice in response to the IASB’s Exposure Draft *ED/2021/2 Covid-19-Related Rent Concessions Beyond 30 June 2021 (Proposed Amendments to IFRS 16)*. Comments are requested by 17 March 2021.

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



### **Final Comment Letter**

On 25 February 2021, EFRAG published its Final Comment Letter in response to the IASB's Exposure Draft *ED/2021/2 Covid-19-Related Rent Concessions beyond 30 June 2021 (Proposed Amendments to IFRS 16)*.

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

### **Feedback Statement**

On 26 February 2021, EFRAG issued its feedback statement explaining how it considered the comments received in response to its draft comment letter on the IASB Discussion Paper *DP/2020/1 Business Combinations—Disclosures, Goodwill and Impairment*.

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

### **Draft Comment Letters**

#### **Business Combinations under Common Control**

On 9 February 2021, EFRAG published its draft comment letter in response to the IASB's Discussion Paper *DP/2020/2 Business Combinations under Common Control* and seeks constituents' views on the proposals. Comments on the draft comment letter are requested by 30 July 2021.

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

#### **Covid-19-Related Rent Concessions Beyond 30 June 2021**

On 11 February 2021, EFRAG published its draft comment letter in response to the IASB's Exposure Draft *ED/2021/2 Covid-19-Related Rent Concessions Beyond 30 June 2021 (Proposed Amendments to IFRS 16)*. Comments on the draft comment letter requested by 22 February 2021.

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

#### **Lease Liability in a Sale and Leaseback**

To allow more time for interested stakeholders to provide their views, EFRAG extended the deadline for the responses to its draft comment letter to the IASB's Exposure Draft *ED/2020/4 Lease Liability in a Sale and Leaseback (Proposed Amendments to IFRS 16)* to **23 March 2021**.

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



## WEBINARS AND ON-LINE OUTREACHES

### **EFRAG EFFAS ABAF/BVFA IASB explanatory webinar: *Post-Implementation Review of Consolidated Financial Statements, Joint Arrangements and Disclosures - A User's Perspective***

On 9 February 2021, EFRAG, EFFAS, ABAF/BVFA and the IASB published an invitation to an explanatory webinar on Monday 1 March 2021 to consider the views of users for the *Post-Implementation Review of IFRS 10, IFRS 11 and IFRS 12*.

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

### **EFRAG podcast series: PIR of IFRS 10, IFRS 11 and IFRS 12**

In order to reach out to stakeholders, EFRAG releases a series of podcasts presenting the post-implementation review of IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities*.

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

### **User Update**

The [February 2021 edition](#) of the EFRAG User Update was published on 26 February 2021 and provides users of financial statements with information about EFRAG's main publications, discussions held and decisions taken since the previous update.

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



## OPEN CONSULTATIONS

Title and description	Closing date
EFRAG Preparatory document for Draft Endorsement Advice on the IASB's Exposure Draft <i>ED/2021/2 Covid-19-Related Rent Concessions Beyond 30 June 2021 (Proposed Amendments to IFRS 16)</i>	17 March 2021
EFRAG Draft Comment Letter on the IASB Exposure Draft <i>ED/2020/4 Lease Liability in a Sale and Leaseback (Proposed Amendments to IFRS 16)</i>	23 March 2021
EFRAG survey on the <i>Post-implementation Review of IFRS 10, IFRS 11 and IFRS 12</i>	16 April 2021
EFRAG Draft Comment Letter on the IASB Discussion Paper <i>DP/2020/2 Business Combinations under Common Control</i>	30 July 2021
EFRAG Discussion Paper <i>Accounting for Crypto-Assets (Liabilities) - Holder and Issuer Perspective</i>	31 July 2021

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

## EFRAG BOARD

### Webcast meetings

The EFRAG Board held a webcast meeting on [3 February 2021](#) and discussed the following topics:

#### **IASB Research Project *Business Combinations under Common Control***

The EFRAG Board discussed and approved the draft comment letter recommended by EFRAG TEG, subject to wording changes agreed during the meeting.

#### **EFRAG Research Projects**

The EFRAG Board received a general update regarding the EFRAG research projects and regarding the outreach activities for the EFRAG Discussion Paper *Accounting for Crypto-Assets (Liabilities) - Holder and Issuer Perspective*.



### **Update on the workplan and any other matters**

The EFRAG Board approved the technical work plan as presented.

### **Next meeting**

The EFRAG Board will hold a next webcast meeting on [15 March 2021](#).

### **February 2021 written procedures**

The EFRAG Board has approved the following documents using written procedures in February:

- EFRAG Draft and Final Comment Letters on ED/2021/2 *Covid-19-Related Rent Concessions Beyond 30 June 2021 (Proposed Amendments to IFRS 16)*; and
- Preparatory document for EFRAG Draft Endorsement Advice on ED/2021/2 *Covid-19-Related Rent Concessions Beyond 30 June 2021 (Proposed Amendments to IFRS 16)*.

### **Expected March 2021 written procedures**

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

- EFRAG Draft Endorsement Advice on Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*; and
- EFRAG Draft Endorsement Advice on Amendments to IAS 1 and IFRS Practice Statement 2 *Disclosure of Accounting Policies*.

## **EFRAG TECHNICAL EXPERT GROUP (TEG)**

### **February 2021 written procedures**

The EFRAG TEG has approved the following documents using written procedures in February:

- EFRAG Draft and EFRAG Final Comment Letters on ED/2021/2 *Covid-19-Related Rent Concessions Beyond 30 June 2021 (Proposed Amendments to IFRS 16)*; and
- Preparatory document for EFRAG Draft Endorsement Advice on ED/2021/2 *Covid-19-Related Rent Concessions Beyond 30 June 2021 (Proposed Amendments to IFRS 16)*.

### **Next meeting**

EFRAG TEG will hold a next webcast meeting on [3-4 March 2021](#).



## EUROPEAN REPORTING LAB

### European Lab Steering Group

The European Lab Steering Group held a webcast meeting on 17 February 2021. At the meeting:

- The Chair of the Project Task Force on preparatory work for the elaboration of possible EU non-financial reporting standards (PTF-NFRS) presented and discussed with the European Lab Steering Group members the content of the task force's final report for the European Commission in response to the request for technical advice mandated to EFRAG.
- Jean-Paul Gauzès presented his nearly final recommendations in response to the ad personam mandate he received from the European Commission on possible changes to the governance and funding of EFRAG if the latter were to become the European non-financial reporting standard setter.
- The co-Chairs of the Project Task Force on reporting of non-financial risks and opportunities and linkage to the business model (PTF-RNFRO) provided a project progress update and presented the revised project action plan and timeline of activities until May 2021.

### Reporting of non-financial risks and opportunities and linkage to the business model

The PTF-RNFRO held a plenary meeting on 11 February 2021 for updates on the ongoing fieldwork across four workstreams (i.e., assessing reporting practices, developing assessment criteria, assessing stakeholder needs and expectations, assessing related legislative policies and reporting technology). Updates on progress were provided by the workstream leaders. It was noted that the stakeholders' survey was on their expectations and needs was open until the end of February. The 11 February 2021 marked the end of the plenary engagement related to the fieldwork and further plenary sessions will resume once a consolidated initial draft report is ready.

In February 2021, the PTF-RNFRO constituted a reporting drafting team including the co-chairs that will meet regularly and undertake the drafting of the final report. Before the issuance of the final report – expected to be published in April/May 2021, a targeted outreach to stakeholders will be conducted at the end of March / beginning of April 2021 to share and get input on the report's key findings.

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



### **Preparatory work for the elaboration of possible EU non-financial reporting standards**

The PTF-NFRS had two plenary meetings on 4 and 15 February 2021, to finalise its proposals for the European Commission. The report of the PTF-NFRS will be published in March 2021.

The PTF-NFRS will have a final plenary meeting towards the end of April 2021, when the proposal for the revision of the NFRD will be available.

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

### **Ad personam mandate of EFRAG Board President Jean Paul Gauzès**

In February 2021, Jean-Paul Gauzès finalised his recommendations after considering the feedback from his two public consultations and the input he received in other forms. He presented his final recommendations to the European Lab Steering Group at a meeting on 17 February 2021 (see above). The report containing his recommendations is expected to be published in March 2021.

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

### **Other involvement in sustainability reporting – Platform on Sustainable Finance (PSF) (observer)**

In February 2021, EFRAG attended the fifth plenary meeting of the PSF where progress of the different Subgroup activities was presented by their respective rapporteurs.

EFRAG also participated in meetings and breakout sessions the Subgroup on Data and Usability and in its Accounting work stream in which the feedback to the ESAs consultations; the content of the interim report and plans for the first external outreach event were discussed.

### **Next steps**

The date of the next meeting of the European Lab Steering Group in April 2021 is in the process of being set.

A plenary meeting of the PTF-NFRS will be scheduled in April 2021 for members to be informed by the EC on the proposal for revision of the NFRD when published.

Plenary meetings of the PTF-RNFRO are scheduled for April 2021 after the completion of the draft report.