

## EFRAG SECRETARIAT PAPER FOR PUBLIC MEETING

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### **Technical Work Plan September 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. Within the next 6 months, the IASB will be starting two important post-implementation reviews being IFRS 13 *Fair Value Measurement* and the consolidation package (IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities*). Given the controversial nature of these standards, we have included them among those projects where EFRAG positions are approved during meetings of the EFRAG Board.
- 4 Attachment 2 to this note contains the draft technical work plan, based on the IASB's work plan as at 20 July 2016 and the proactive technical work plan. It also identifies the expected timing of written procedures.
- 5 Now that the timing of the IASB's research projects is becoming clearer, we have added them to Attachment 2 as a separate section. Once the projects are reaching a stage where output can be reasonably expected, we propose that they be categorised as either "significant" or as to be considered by the EFRAG Board by written procedure depending on the likely impact.

#### **Questions for the EFRAG Board**

- 6 Does the EFRAG Board agree that EFRAG positions relating to the forthcoming post-implementation reviews should be approved in a meeting rather than by written procedure?
- 7 Does the EFRAG Board agree 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?
- 8 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*

- 9 Exposure Draft *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts* was designed to address the concerns of the insurance industry that arise because the effective date of IFRS 9 *Financial Instruments* is significantly earlier than the effective date of the new insurance contracts standard.
- 10 This project is classified as significant because of the importance to Europe, including the impact on the endorsement of IFRS 9. The EFRAG final comment letter was issued on 15 February 2016. The Standard is expected to be issued in September 2016.

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

- 11 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*

- 12 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.
- 13 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.

**Attachment 2: Work plan September 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	
			Sept 7-8	Oct 6	Nov 10	Dec 13	Jan 12	Feb 7
<b>IASB SIGNIFICANT PROJECTS</b>								
Leases (IFRS 16 issued January 2016)	ED DCL July 2013	ED FCL Oct 2013	Consider issues	<b>DEA</b>			Consider issues	Consider issues
Insurance contracts (IFRS expected after 6 months)	ED DCL Aug 2013	ED FCL Dec 2013	Industry update		Consider issues		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			<b>DEA</b>			<b>FEA</b>
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	<b>ED DCL</b>	

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			Sept 7-8	Oct 6	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		<b>DEA</b>		<b>FEA</b>		
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)								
<b>IASB PROJECTS BY WRITTEN PROCEDURE: Implementation</b>								
Changes in accounting policies and estimates (ED expected within 6 months)								<b>ED DCL WP</b>

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Project	Most recent status		2016				2017	
			Sept 7-8	Oct 6	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 within 6 months)	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						
Transfer of investment property (IFRS expected within 6 months)	ED DCL Dec 2015	ED FCL Mar 2016				DEA WP		
Uncertainty over Income Tax Treatment (IFRIC ED comment period closed 19 Jan)	ED DCL Nov 2015	ED FCL Feb 2016						
Annual Improvements 2014-2016 (IFRS expected within 6 months)	ED DCL Dec 2015	ED FCL Mar 2016						DEA WP

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Project	Most recent status		2016				2017	
			Sept 7-8	Oct 6	Nov 10	Dec 13	Jan 12	Feb 7
Annual Improvements 2015-2017 (ED expected within 6 months)							ED WP	
<b>IASB PROJECTS: Research</b>								
Primary Financial Statements (Decide project direction within 6 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 6 months)								

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			Sept 7-8	Oct 6	Nov 10	Dec 13	Jan 12	Feb 7
<b>PROACTIVE PROJECTS</b>								
Goodwill amortisation and impairment			Approve paper					
Low interest rates								
Pension plans					Project update			
Transactions with governments					Project update			
Equity instruments - impairment				Approve project plan				