

EFRAG SECRETARIAT PAPER FOR PUBLIC MEETING

This paper has been prepared by EFRAG Secretariat for discussion at a public meeting of the EFRAG Board. The paper does not represent the official views of EFRAG or any individual member of the EFRAG Board or EFRAG TEG. 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 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.

Technical Work Plan January – May 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.
- 4 The EFRAG Board decided to review the draft Materiality Practice Statement at a meeting in order to consider whether it was likely to have the desired effect. The IASB has now decided to develop an Exposure Draft on the Definition of Materiality separately from the Materiality Practice Statement. EFRAG Secretariat has not classified this forthcoming Exposure Draft as significant as it is expected to make only minor modifications to the existing definition.
- 5 At its meeting in September 2016, the EFRAG Board agreed 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.
- 6 Attachment 2 to this note contains the draft technical work plan, based on the IASB's work plan as at 15 December 2016 and the research work plan. It also identifies the expected timing of written procedures.

Questions for the EFRAG Board

- 7 Does the EFRAG Board agree that the forthcoming Exposure Draft on the Definition of Materiality should not be classified as significant?
- 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 *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts* was designed to address the concerns of the insurance industry that the effective date of IFRS 9 *Financial Instruments* is significantly earlier than the effective date of the new insurance contracts standard. The Standard was issued on 12 September 2016 and discussed by the ARC at its meeting on 21 September 2016. The EFRAG Board will consider a final endorsement advice at its joint meeting with EFRAG TEG on 11 January 2017.
- 10 This project is classified as significant because of the importance to Europe, including the impact on the endorsement of IFRS 9.

IFRS Practice Statement: Application of Materiality to Financial Statements

- 11 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.
- 12 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.

Post-implementation reviews

- 13 Given the controversial nature of the Standards that will be subject to post-implementation reviews, the EFRAG Board agreed at its September 2016 meeting that the EFRAG responses to the Requests for Views should be classified as significant.

Attachment 2: Work plan December 2016 – March 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		2017					
			Jan 11/12	Feb 7	Feb 21 cc	March 16	April 11	May 31
IASB SIGNIFICANT PROJECTS								
Leases (IFRS 16 issued January 2016)	ED DCL July 2013	ED FCL Oct 2013	Consider issues	DEA	Consider issues	FEA		
Insurance Contracts (IFRS 17 expected March 2017)	ED DCL Aug 2013	ED FCL Dec 2013	Consider issues	Consider issues			Consider issues	
Applying IFRS 9 <i>Financial Instruments</i> with IFRS 4 <i>Insurance Contracts</i> (IFRS issued 12 September)	ED DCL Dec 2015	ED FCL Feb 2016	FEA					
Rate-regulated Activities (DP expected after 6 months)	DP DCL Oct 2014	DP FCL Jan 2015						
Disclosure Initiative – Principles of Disclosure (DP expected within 6 months)							Consider issues	DCL

Technical Work Plan January – May 2017

Project	Most recent status		2017					
			Jan 11/12	Feb 7	Feb 21 cc	March 16	April 11	May 31
Disclosure Initiative – Materiality Practice Statement (Practice Statement expected after 6 months)	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						
2015 Agenda Consultation (Feedback statement issued November 2016)	DCL Oct 2015	FCL Jan 2016	Consider IASB decisions					
PIR: IFRS 13 <i>Fair Value Measurement</i> (Decide direction within 3 months)								
PIR: Consolidation IFRSs 10-12 (PIR starting after 6 months)								
IASB PROJECTS BY WRITTEN PROCEDURE: Implementation								
Accounting Policies and Accounting Estimates (ED expected within 6 months)								
Classification of Liabilities (IFRS expected after 6 months)	ED DCL Mar 2015	ED FCL Jun 2015						

Technical Work Plan January – May 2017

Project	Most recent status		2017					
			Jan 11/12	Feb 7	Feb 21 cc	March 16	April 11	May 31
Definition of a Business and Accounting for Previously Held Interests (Decide direction within 3 months)	ED DCL July 2016	ED FCL Nov 2016						
Disclosure Initiative – Definition of Materiality (ED expected within 6 months)								ED DCL
Foreign Currency Transactions and Advance Consideration (IFRIC issued December 2016)	ED DCL Nov 2015	ED FCL Feb 2016			DEA WP		FEA WP	
Improvements to IFRS 8 (ED expected within 6 months)								ED DCL WP
IAS 16 PPE Proceeds Before Intended Use (ED expected within 6 months)								ED DCL WP
Amendments IAS 19, IFRIC 14 (IFRS expected after 6 months)	ED DCL July 2015	ED FCL Nov 2015						
IAS 40:-- Transfers of Investment Property (IFRS issued December 2016)	ED DCL Dec 2015	ED FCL Mar 2016			DEA WP		FEA WP	
IFRS 9: Symmetric Prepayment Options (Decide direction within 3 months)								

Technical Work Plan January – May 2017

Project	Most recent status		2017					
			Jan 11/12	Feb 7	Feb 21 cc	March 16	April 11	May 31
Uncertainty over Income Tax Treatments (IFRIC expected within 6 months)	ED DCL Nov 2015	ED FCL Feb 2016						DEA WP
Annual Improvements 2014-2016 (IFRS issued December 2016)	ED DCL Dec 2015	ED FCL Mar 2016			DEA WP		FEA WP	
Annual Improvements 2015-2017 (ED expected January 2017)					ED DCL WP			
IASB PROJECTS: Research								
Primary Financial Statements (DP or ED after 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 direction after 6 months)								
Discount Rates (Issue research summary within 6 months)								

Technical Work Plan January – May 2017

Project	Most recent status		2017					
			Jan 11/12	Feb 7	Feb 21 cc	March 16	April 11	May 31
Share-based Payment (Issue research summary within 3 months)								
EFRAG RESEARCH PROJECTS								
General update				Update			Update	
General discussion on process management and respective roles			Issues paper and discussion					
Goodwill – impairment and amortisation			Consider issues			Consider EFRAG TEG recommendation		