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Update on EFRAG Research Agenda Consultation

Objective

- 1 The objective of this paper is to provide EFRAG TEG-CFSS with an update on EFRAG *Research Agenda Consultation* (the Consultation) and to invite EFRAG TEG-CFSS members to participate in the future EFRAG research projects.

Introduction

- 2 EFRAG published the Consultation on 5 April and asked for feedback by 1 June 2018. The Consultation asked for views on ways to assess and improve the effectiveness of EFRAG Research activities and new Research topics. Since many of the EFRAG active Research projects will be reaching their final stage in 2018, EFRAG was looking to add new Research projects to its agenda.
- 3 In its Consultation, EFRAG tentatively proposed five Research Agenda topics around two main themes.
 - (a) Addressing new developments
 - (i) Better information on intangible assets; and
 - (ii) Cryptocurrencies.
 - (b) Enhancing current financial reporting
 - (i) Derecognition;
 - (ii) Transaction-related costs; and
 - (iii) Variable and contingent payments.

Summary of responses to the Consultation

- 4 EFRAG received 24 responses, the majority of which were from national standard setters, business associations and the auditing profession. The remaining respondents were private persons, academics and a user organisation EFFAS (European Federation of Financial Analysts).
- 5 Respondents were supportive of EFRAG's research work, noting that EFRAG has a valuable role to play in the global debate of IFRS Standards, and welcomed initiatives to enhance the effectiveness of ongoing research in order to influence future standard setting development.
- 6 Of the projects proposed in the Consultation document, respondents expressed the most support for the following three:
 - (a) Better Information on Intangible Assets;
 - (b) Crypto Assets; and
 - (c) Variable and Contingent Payments.

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- 7 There were suggestions for other topics, but none was proposed by a significant number of respondents.

Nest steps

- 8 EFRAG Secretariat will present the work plan for the three topics and ask the EFRAG Board to formally approve adding them to the EFRAG Research agenda at its 20 September meeting.
- 9 EFRAG Secretariat will provide TEG-CFSS with a verbal update of a Board decision during the meeting on 26 September.

Question for EFRAG TEG-CFSS members

- 10 Do EFRAG CFSS members have interest to jointly work with EFRAG on any of the three selected research projects?

Agenda Papers

- 11 In addition to this cover note, **agenda paper 12-02 – *Feedback Statement on EFRAG Research Agenda Consultation*** has been provided for this session as a background paper.