

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 April – October 2019**

### **Objective**

- 1 The objective of this session is for the EFRAG Board to conduct its regular 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 projects as significant.
- 4 Since the February meeting, the IASB has added two projects to its work plan:
  - (a) Dur Process Handbook Review (exposure draft expected Q2 2109); and
  - (b) Subsidiaries that are SMEs (a longer term project).
- 5 At its June 2017 meeting, the EFRAG Board agreed that, as responses to IASB post-implementation reviews collate European views and do not include an EFRAG position, post-implementation review responses should be finalised by EFRAG TEG. IASB proposed post-implementation reviews have been included in the work plan for the convenience of EFRAG Board members, but no action is expected from the EFRAG Board.
- 6 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.
- 7 Attachment 2 to this note contains the draft technical work plan, based on the IASB's work plan at the time of preparing this paper (excluding the IFRS Taxonomy and the *IFRS for SMEs* projects) and the EFRAG research work plan. It also identifies the expected timing of written procedures.

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

- 8 Does the EFRAG Board wish to consider either or both of the new projects in public meetings (see paragraph 4 above)?
- 9 Does the EFRAG Board approve the technical work plan?

**Attachment 1: Basis for classifying research projects or minor projects as significant**

*Financial Instruments with Characteristics of Equity*

- 10 Given the potential impact of this project, especially for financial institutions, the EFRAG Board decided that the EFRAG position on the IASB's Discussion Paper *Financial Instruments with Characteristics of Equity* should be considered in a public meeting rather than by written procedure. The Discussion Paper was issued in June 2018 and EFRAG's draft comment letter was issued in August 2018. The EFRAG Board approved the final comment letter at its meeting in January 2019.

*Primary Financial Statements*

- 11 At its meeting in April 2017, the EFRAG Board decided that the EFRAG comment letter on the IASB's *Primary Financial Statements* project should be considered in a public meeting. The *Primary Financial Statements* project is likely to lead to significant changes to the presentation of financial performance.
- 12 The EFRAG Board was updated on the development of the IASB project at its meeting in December 2018 jointly with EFRAG TEG.

*Goodwill and Impairment*

- 13 The EFRAG Board decided to consider this project in public meeting, given the significant work undertaken by EFRAG in recent years.
- 14 The EFRAG Board was provided with an update on the development of the IASB project at its meeting in December 2018 jointly with EFRAG TEG.

*IBOR Reform and its Effects on Financial Reporting*

- 15 The EFRAG Board noted the potentially significant impact on financial markets of the various regulatory activities in reforming the various IBORs currently in use. Consequently, the EFRAG Board decided that this project should be considered in a public meeting.
- 16 The first discussion at the EFRAG Board is planned for April 2019. The Exposure Draft for the first phase of the project is expected in May 2019 with a 45 day comment period.

**Attachment 2: Work plan April – October 2019**

**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 (IASB next steps in brackets)	Most recent status		2019					
			April 4	May 7	June 4	July 9	Sept 10	Oct 8
<b>IASB SIGNIFICANT PROJECTS</b>								
Insurance Contracts (ED expected Q2 2019)	ED DCL Aug 2013	ED FCL Dec 2013	Project update	Project update	Project update	<b>Approve DCL</b>	Project update	<b>Approve FCL</b>
Rate-regulated Activities (DP or ED expected H2 2019)	DP DCL Oct 2014	DP FCL Jan 2015						Project update
Disclosure initiative – Targeted Standards-level Review of Disclosures (ED expected)								
Dynamic Risk Management (Core model expected H2 2019)	DP DCL July 2014	DP FCL Oct 2014						

Technical Work Plan April – October 2019

Project (IASB next steps in brackets)	Most recent status		2019					
			April 4	May 7	June 4	July 9	Sept 10	Oct 8
Financial Instruments with Characteristics of Equity (Decide project direction H2 2019)	DP DCL Aug 2018	DP FCL Feb 2019						
Goodwill and Impairment (DP expected H2 2019)								
IBOR reform and its effects on financial reporting (ED expected May 2019)			Project update	ED DCL	ED FCL			
Primary Financial Statements (DP or ED expected H2 2019)								
<b>IASB PROJECTS BY WRITTEN PROCEDURE: Implementation</b>								
Accounting Policies and Accounting Estimates (amend IAS 8) (Decide project direction)	ED DCL Sep 2017	ED FCL Jan 2018						
Accounting Policy Changes (Amend IAS 8) (Decide project direction)	ED DCL Apr 2018	ED FCL Aug 2018						
Availability of a refund (amend IFRIC 14) (IFRS amendment expected)	ED DCL July 2015	ED FCL Nov 2015						

Technical Work Plan April – October 2019

Project (IASB next steps in brackets)	Most recent status		2019					
			April 4	May 7	June 4	July 9	Sept 10	Oct 8
Classification of liabilities (amend IAS 1) (IFRS amendment H2 2019)	ED DCL Mar 2015	ED FCL Jun 2015						
Deferred tax related to assets and liabilities arising from a single transaction (amend IAS 12) (ED expected Q2 2019)						ED DCL WP		
Disclosure initiative – Accounting Policies (ED expected H2 2019)								
Due Process Handbook review (ED expected Q2 2019)						ED DCL WP		
Extractive activities (Review research)								
Management Commentary (ED expected H1 2020)								
Onerous contracts: Costs of fulfilling a contract (amend IAS 37) (ED issued Dec 2018. Comments to IASB by 15 April 2019)	ED DCL Jan 2019		ED FCL WP					

Technical Work Plan April – October 2019

Project (IASB next steps in brackets)	Most recent status		2019					
			April 4	May 7	June 4	July 9	Sept 10	Oct 8
PPE Proceeds before intended use (amend IAS 16) (IFRS amendment expected)	ED DCL July 2017	ED FCL Nov 2017						
Provisions (Review research H2 2019)								
Subsidiaries that are SMEs (Review research H2 2019)								
Updating a reference to the Conceptual Framework (amend IFRS 3) (ED expected Q2 2019)						ED DCL WP		ED FCL WP
<i>Annual Improvements</i> (ED expected Q2 2019)						ED DCL WP		ED FCL WP
• Fees in the '10 per cent' test for derecognition (amend IFRS 9)								
• Lease incentives (amend IFRS 16 illustrative examples)								
• Subsidiary as a first-time adopter (Amend IFRS 1)								

Technical Work Plan April – October 2019

Project (IASB next steps in brackets)	Most recent status		2019					
			April 4	May 7	June 4	July 9	Sept 10	Oct 8
<ul style="list-style-type: none"> <li>Taxation in fair value measurements (Amend IAS 41)</li> </ul>								
<b>IASB PROJECTS: Research</b>								
Business Combinations Under Common Control (DP expected H1 2020)								
Extractive Activities (Review research)								
Pension Benefits that Depend on Asset Returns (Review research H2 2019)								
<b>IASB Post-implementation reviews</b>								
Consolidation package: IFRS 10, IFRS 11, IFRS 12								
IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>								

Technical Work Plan April – October 2019

Project (IASB next steps in brackets)	Most recent status		2019					
			April 4	May 7	June 4	July 9	Sept 10	Oct 8
<b>EFRAG RESEARCH PROJECTS</b>								
General update			Update			Update		
Better information on intangible assets								
Crypto assets								
Discounting with current interest rates								
Equity Instruments: Research on Measurement			Approve outreach WP			Consider response to EC		
Non-exchange Transfers (Comments close 30 April 2019)	DP Nov 2018							
Pension plans			Approve DP					
Variable and contingent payments								