

This paper has been prepared by the EFRAG Secretariat for discussion at a public meeting of EFRAG TEG. The paper forms part of an early stage of the development of a potential EFRAG position. Consequently, 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 the 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.

Alternative accounting treatments for Equity Instruments

Cover Note

Objective

- 1 The objective of the session is to:
 - (a) present the Feedback Statement (after EFRAG Board's comments) that summarises the comments received during EFRAG public consultation and will be published as a separate document (this feedback statement will also be attached to EFRAG's response to the European Commission); and
 - (b) consider the proposed draft of EFRAG's advice to the European Commission.

Background

- 2 On 8 October 2019, EFRAG Secretariat presented to EFRAG Board the feedback statement that summarises the main comments received during the consultation and received several comments that has been addressed accordingly. The key changes made to EFRAG's feedback statement are:
 - (a) a new table with terms used to describe the extent to which particular feedback was shared by respondents;
 - (b) improved consistency of the terms used;
 - (c) identified the feedback that had already been received by EFRAG in previous consultations; and
 - (d) new boxes explaining the illustrative examples.
- 3 On 26 September 2019, EFRAG TEG discussed and provided a number of suggestions on chapters 4 and 5 of Appendix 1 of the proposed advice to the European Commission and provided a number of suggestions. On 8 October 2019 the EFRAG Board discussed and provided a number of suggestions on the proposed structure and key elements of a draft of EFRAG's advice to the European Commission. The agenda paper 12-03 already reflects the feedback received both by EFRAG TEG and EFRAG Board.

Agenda Papers

- 4 In addition to this cover note, agenda papers for this session are:
 - (a) Agenda paper 12-02 Feedback Statement on Alternative Accounting Approaches for Equity Instruments; and
 - (b) Agenda paper 12-03 Appendix 1 - Alternative Accounting Approaches for Equity Instruments.