

This paper has been prepared by the 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 February 2020 – July 2020**

### **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 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.
- 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 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**

- 7 Does the EFRAG Board have any comments on the technical work plan?

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

*Financial Instruments with Characteristics of Equity*

- 8 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 the EFRAG Board approved the final comment letter at its meeting in January 2019.

*Primary Financial Statements*

- 9 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.
- 10 The approval of the comment letter is planned for the meeting on 18 February 2020.

*Goodwill and Impairment*

- 11 The EFRAG Board decided to **consider this project in public meeting**, given the significant work undertaken by EFRAG in recent years.
- 12 The EFRAG Board was provided with an update on the development of the IASB's project at its meeting in December 2018 jointly with EFRAG TEG and in the meeting in December 2019. A Discussion Paper is expected in March. The Board has requested to have two meetings to discuss EFRAG Position. This will be done in March and April 2020.

*IBOR Reform and its Effects on Financial Reporting*

- 13 The IASB is rapidly progressing with the deliberation of issues to be addressed in Phase 2. EFRAG TEG will be advised by the EFRAG FIWG on their views on the tentative decisions progressively taken by the IASB in this period (with one month of lag) and the EFRAG Board will be updated at the first useful meeting. The ED is expected to be out in April 2020. TEG will discuss and approve the DCL in May. Depending on the timing and considering the urgency of the Amendments, **an additional Board webcast or written procedure can be envisaged** in May for the Board to approve the DCL and in June to approve the FCL, in order to be able to grant additional time for the consultation.

6 Months Work Plan

**Attachment 2: 6 Months Work Plan**

**Legend**

- |  |                                       |
|--|---------------------------------------|
| <b>Bold</b> = EFRAG Board decision point | <b>DCL</b> = Draft comment letter     |
| <b>WP</b> = Written procedure            | <b>FCL</b> = Final comment letter     |
| <b>DP</b> = Discussion paper             | <b>DEA</b> = Draft endorsement advice |
| <b>ED</b> = Exposure draft               | <b>FEA</b> = Final endorsement advice |

Project (IASB next steps in brackets)	Most recent status		2020					
			Feb 18	Mar 17	April 21	May 26 <sup>1</sup>	Jun 16	Jul 16
<b>IASB SIGNIFICANT PROJECTS</b>								
Insurance Contracts (IFRS amendment Q2-2020)	ED DCL July 2019	ED FCL Sept 2019	Project update	Project update	Project update	Project update	Project update	<b>DEA</b>
Rate-regulated Activities (ED expected H2 2020)	DP DCL Oct 2014	DP FCL Jan 2015	Project update					Project Update
Disclosure initiative – Targeted Standards-level Review of Disclosures (ED expected H2 2020)								

<sup>1</sup> Joint Meeting with TEG

6 months Work Plan

Project (IASB next steps in brackets)	Most recent status		2020					
			Feb 18	Mar 17	April 21	May 26 <sup>1</sup>	Jun 16	Jul 16
Dynamic Risk Management (Core model outreach discussion Q2 2020)	DP DCL July 2014	DP FCL Oct 2014					Project update	
Financial Instruments with Characteristics of Equity (Decide project direction H2 2020)	DP DCL Aug 2018	DP FCL Feb 2019						
Goodwill and Impairment (DP expected March 2020)				Project Update	<b>Approve DCL on DP</b>			
IBOR reform and its effects on financial reporting Phase 2 (ED April 2020)			Project update	Project update	Project update	<b>Approve DCL</b>	<b>Approve FCL</b>	
Primary financial statements (ED issued Dec 2019, ED feedback expected H2 2020)	ED Dec 2019		<b>Approve DCL on ED</b>					<b>Approve FCL on ED</b>
2020 Agenda consultation (Request for information expected H2 2020)								
<b>IASB PROJECTS BY WRITTEN PROCEDURE: Implementation</b>								
Accounting policies and accounting estimates (amend IAS 8) (IFRS amendment expected)	ED DCL Sep 2017	ED FCL Jan 2018						

6 months Work Plan

Project (IASB next steps in brackets)	Most recent status		2020					
			Feb 18	Mar 17	April 21	May 26 <sup>1</sup>	Jun 16	Jul 16
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						
Classification of liabilities as current or non-current (amend IAS 1) (IFRS amendment January 2020)	ED DCL Mar 2015	ED FCL Jun 2015			<b>Approve DEA</b>			
Deferred tax related to assets and liabilities arising from a single transaction (amend IAS 12) (ED issued July 2019, ED feedback expected Q2 2020)	ED DCL Sept 2019	ED FCL WP Nov 2019						
Disclosure initiative – Accounting policies (ED issued August 2019, ED feedback expected February 2020)	ED DCL Oct 2019	Dec 2019 FCL						
Management Commentary Practice Statement (ED expected H2 2020)								

6 months Work Plan

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			Feb 18	Mar 17	April 21	May 26 <sup>1</sup>	Jun 16	Jul 16
Onerous contracts - Costs of fulfilling a contract (amend IAS 37) (IFRS amendment Q2 2020)	ED DCL Jan 2019	ED FCL Apr 2019						Approve DEA
PPE Proceeds before Intended Use (amend IAS 16) (IFRS amendment March 2020)	ED DCL July 2017	ED FCL Nov 2017					Approve DEA	
Provisions – Targeted Improvement (Decide project direction)								
Subsidiaries that are SMEs (Discussion Paper or ED decision)								
Updating a reference to the Conceptual Framework (amend IFRS 3) (IFRS Amendment in April 2020)	ED DCL June 2019	ED FCL Sep 2019					Approve DEA	
Annual Improvements 2018-2020 Cycle (IFRS Amendment April 2020)	ED DCL June 2019	ED FCL August 2019						
• Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (amend IFRS 9)								Approve DEA

6 months Work Plan

Project (IASB next steps in brackets)	Most recent status		2020					
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<ul style="list-style-type: none"> <li>Lease Incentives (amend to illustrative example 13 accompanying IFRS 16)</li> </ul>								Approve DEA
<ul style="list-style-type: none"> <li>Subsidiary as a First-time Adopter (amend IFRS 1)</li> </ul>								Approve DEA
<ul style="list-style-type: none"> <li>Taxation in Fair Value Measurements (amend IAS 41)</li> </ul>								Approve DEA
<b>IASB PROJECTS: Research</b>								
Business Combinations Under Common Control (DP expected Q2 2020)				Project Update				
Extractive activities (Review research Q2 2020)								
Pension Benefits that Depend on Asset Returns (Review research H2 2020)								

6 months Work Plan

Project (IASB next steps in brackets)	Most recent status		2020					
			Feb 18	Mar 17	April 21	May 26 <sup>1</sup>	Jun 16	Jul 16
<b>IASB Post-implementation reviews</b>								
Consolidation package: IFRS 10, IFRS 11, IFRS 12 (review research February 2020)			Project update					
IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>								
<b>EFRAG RESEARCH PROJECTS</b>								
General update				Update				
Better Information on Intangible Assets								Approve DP
Crypto-assets					Approve DP			
Discounting with Current Interest Rates								
Accounting for Pension Plans with an Asset-return Promise (Comments closed 15 Nov 2019)	DP May 2019							
EFRAG Research Variable and Contingent Consideration							Project update	