

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 July 2020 – December 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.

### **Changes to the workplan since last EFRAG Board review**

- 6 Following the postponement of the deadline of the limited update of case study to June, 3 the two decision making sessions on the DEA at the Board are now scheduled for June and July. This is a working assumption, to be updated in due course, as also at TEG we may need two decision making sessions, before TEG agrees to recommend the DEA for approval to the Board.
- 7 The EFRAG Board agreed to delegate to the EFRAG Secretariat the definition of the most appropriate accelerated process for the endorsement of the IASB Amendment *IBOR Phase 2* (including approval by written procedure, consultation period shortened up to 1 week, organization of a dedicated public webcast outreach event, approval of a DEA before the issuance of the final standard subject to wording changes). The Plan is attached in a separate document to this section.
- 8 The EFRAG Board agreed to move to the 28 September the deadline for comments on the DCL on the IASB ED General Presentation and Disclosure. A dedicated TEG meeting is being scheduled around the 14/15 October and an additional dedicated Board meeting will be scheduled at the end of October (the 29 or 30).

- 9 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**

- 10 Does the EFRAG Board have any comments on the technical work plan?
- 11 Does the EFRAG Board agree to adopt a written approval of the DEA of *IBOR Phase 2* (expected mid-August)?
- 12 Does the Board classify the BCUCC project as significant?

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

*Financial Instruments with Characteristics of Equity*

- 13 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*

- 14 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.
- 15 The EFRAG Board has approved a draft comment letter on the Exposure Draft of the new standard in the meeting on February 18. Feedback will be received until September 28 2020. The Board is regularly informed on the outreach activities.

*Goodwill and Impairment*

- 16 The EFRAG Board decided to **consider this project in public meeting**, given the significant work undertaken by EFRAG in recent years.
- 17 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 was issued in March 2020. The DCL by EFRAG Board was approved in the webcast meeting as of May 18 2020. Deadline for comments is the 30 November. Approval by the Board is planned in January 2021.

*IBOR Reform and its Effects on Financial Reporting – Phase 2*

- 18 EFRAG issued its final comment letter on 27 May 2020.
- 19 The IASB final amendments are expected to be issued in August 2020 and their application is needed by European entities in the preparation of their 2020 year-end reporting. Similarly to what has been done last year with Phase 1 of this project, an accelerated endorsement timetable is anticipated for this project.

- 20 The TEG and Board will approve the DEA in August. For practical reason, EFRAG Secretariat proposes to adopt a **written approval** for the Board.

*Business Combination under Common Control*

- 21 In 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. The IASB is exploring ways to improve the reporting on combinations of businesses under common control. The IASB has completed its discussions of measurement approaches and disclosures and is preparing a discussion paper setting out its preliminary views on reporting these transactions. The IASB plans to publish the Discussion Paper in the second half of 2020. The issuance of EFRAG DCL is planned for end of October 2020. The Board should decide whether the project should be classified as significant.

**Attachment 2: Work plan July 2020 – December 2020**

**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		2020					
			(June)/ Jul 16	Jul 28	(August)/ Sept 10	Oct 8	Nov 17	Dec 17
<b>IASB SIGNIFICANT PROJECTS</b>								
Insurance Contracts (IFRS amendment Q2-2020)	ED DCL July 2019	ED FCL Sept 2019	<b>DEA</b>	<b>DEA</b>			<b>FEA</b>	<b>FEA</b>
Rate-regulated Activities (ED expected H2 2020)	DP DCL Oct 2014	DP FCL Jan 2015	Project update				<b>DCL</b>	
Disclosure initiative – Targeted Standards-level Review of Disclosures (ED expected H1 2021)								
Dynamic Risk Management (Core model outreach discussion Q4 2020)	DP DCL July 2014	DP FCL Oct 2014	Project update					Discuss results of field test of core model

Technical Work Plan June 2020 – November 2020

Project (IASB next steps in brackets)	Most recent status		2020					
			(June)/ Jul 16	Jul 28	(August)/ Sept 10	Oct 8	Nov 17	Dec 17
Financial Instruments with Characteristics of Equity (Decide project direction H2 2020)	DP DCL Aug 2018	DP FCL Feb 2019						
Goodwill and Impairment (End of comment period 31 December)	DP DCL May 2020					Project Update		<b>Project Update</b>
IBOR reform and its effects on financial reporting Phase 2 Amendment to be issued in August)	ED DCL April 2020	ED FCL May 2020			<b>DEA</b> (written procedure mid-August) <b>FEA</b> (additional meeting 14 September)			
Primary financial statements (ED issued Dec 2019, ED feedback expected H1 2021)	ED DCL Feb 2020				Project Update	<b>Approve FCL on ED</b> (additional meeting the last week of October)		
2020 Agenda consultation (Request for information expected H1 2021)								

Technical Work Plan June 2020 – November 2020

Project (IASB next steps in brackets)	Most recent status		2020					
			(June)/ Jul 16	Jul 28	(August)/ Sept 10	Oct 8	Nov 17	Dec 17
<b>IASB PROJECTS BY WRITTEN PROCEDURE: Implementation</b>								
Accounting policies and accounting estimates (amend IAS 8) (IFRS amendment expected Q4 2020)	ED DCL Sep 2017	ED FCL Jan 2018					Approve DEA (written procedure)	Approve DEA (written procedure)
Accounting policy changes (amend IAS 8) (Decide project direction June 2020)	ED DCL Apr 2018	ED FCL Aug 2018						
Availability of a refund (amend IFRIC 14) (IFRS amendment rejected, decide project direction)	ED DCL July 2015	ED FCL Nov 2015						
Classification of liabilities as current or non-current (amend IAS 1) (IFRS amendment January 2020; ED to postpone application date to 2023)	ED DCL Mar 2015 ED DCL May 2020	ED FCL Jun 2015 ED FCL June 2020		Approve DEA (written procedure)				
Deferred tax related to assets and liabilities arising from a single transaction (amend IAS 12) (ED issued July 2019, Decide Project Direction)	ED DCL Sept 2019	ED FCL WP Nov 2019						

Technical Work Plan June 2020 – November 2020

Project (IASB next steps in brackets)	Most recent status		2020					
			(June)/ Jul 16	Jul 28	(August)/ Sept 10	Oct 8	Nov 17	Dec 17
Disclosure initiative – Accounting policies (ED issued August 2019, ED feedback discussed February 2020, IFRS amendment expected Q4 2020)	ED DCL Oct 2019	Dec 2019 FCL						<b>Approve DEA</b> (written procedure)
Management Commentary Practice Statement (ED expected Dec 2020)							Project Update	
Onerous contracts - Costs of fulfilling a contract (amend IAS 37)	ED DCL Jan 2019	ED FCL Apr 2019						
PPE Proceeds before Intended Use (amend IAS 16)	ED DCL July 2017	ED FCL Nov 2017	<b>Approve DEA</b> (June written procedure)			<b>Approve FEA</b> (written procedure)		
Provisions (Decide project direction)								
Subsidiaries that are SMEs (Discussion Paper or ED decision Q4 2020)								

Technical Work Plan June 2020 – November 2020

Project (IASB next steps in brackets)	Most recent status		2020					
			(June)/ Jul 16	Jul 28	(August)/ Sept 10	Oct 8	Nov 17	Dec 17
Updating a reference to the Conceptual Framework (amend IFRS 3)	ED DCL June 2019	ED FCL Sep 2019	<b>Approve DEA</b> (June written procedure)			<b>Approve FEA</b> (written procedure)		
Lease Liability in a Sale and Leaseback (amend IFRS 16) (ED Q3 2020)							<b>Approve DCL</b> (written procedure)	
Annual Improvements 2018-2020 Cycle	ED DCL June 2019	ED FCL August 2019						
• Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (amend IFRS 9)			<b>Approve DEA</b> (June written procedure)			<b>Approve FEA</b> (written procedure)		
• Lease Incentives (amend to illustrative example 13 accompanying IFRS 16)			Not applicable			Not applicable		
• Subsidiary as a First-time Adopter (amend IFRS 1)			<b>Approve DEA</b> (June written procedure)			<b>Approve FEA</b> (written procedure)		



Technical Work Plan June 2020 – November 2020

Project (IASB next steps in brackets)	Most recent status		2020					
			(June)/ Jul 16	Jul 28	(August)/ Sept 10	Oct 8	Nov 17	Dec 17
<ul style="list-style-type: none"> <li>Taxation in Fair Value Measurements (amend IAS 41)</li> </ul>			Approve DEA (June written procedure)			Approve FEA (written procedure)		
<b>IASB PROJECTS: Research</b>								
Business Combinations Under Common Control (DP Sept 2020)						Approve DCL		
Extractive activities (Review research June 2020)								
Pension Benefits that Depend on Asset Returns (Review research H2 2020)								
<b>IASB Post-implementation reviews</b>								
Consolidation package: IFRS 10, IFRS 11, IFRS 12 (review research Q4 2020)					Project Update			
IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>								

Technical Work Plan June 2020 – November 2020

Project (IASB next steps in brackets)	Most recent status	2020						
		(June)/ Jul 16	Jul 28	(August)/ Sept 10	Oct 8	Nov 17	Dec 17	
<b>EFRAG RESEARCH PROJECTS</b>								
General update			Update			Update		
Better Information on Intangible Assets								
Crypto-assets								
Discounting with Current Interest Rates								
EFRAG Research Variable and Contingent Consideration								Approve a DP