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## **Technical Work Plan July 2020 – January 2021**

### **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 Considering the request to have at least two decision making sessions for the approval of the DEA on IFRS 17, the discussion of DEA is planned in July and September and of the FEA in January (3 months of consultation period).
- 7 IBOR Phase 2: The TEG and Board will review a preparatory DEA for drafting suggestions on 28 July 2020 and approve the DEA on 24 August, the same day as TEG, subject to minor wording changes.
- 8 RRA: the approval of the DCL is now planned for December as we understand that the ED will be issued mid-October.
- 9 The EFRAG Board approved the DCL on the IASB DP DP/2020/1 Business Combinations-Disclosures, Goodwill and Impairment with a deadline for comments as of 30 November. A dedicated additional dedicated Board meeting will be scheduled within short notice at mid of January.
- 10 Accounting Policy Changes (Amendments to IAS 8), this project has been removed from the work plan as the IASB decided not to continue with this project.

- 11 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**

- 12 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*

- 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 review a preparatory DEA for drafting suggestions on 28 July 2020 and approve the DEA on 24 August, the same day as TEG, subject to minor wording changes. This seems to be the fastest solution to grant timely issuance of the DEA as the IASB Amendments will be out at the end of August.

*Business Combination under Common Control*

- 21 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 will be updated to the project in July 2020 as part of this meeting and has agreed to discuss the DCL in a dedicated meeting (rather than to adopt a written procedure).

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

**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							
			Jul 28	(August)/ Sept 10	Oct 8	Oct 30	Nov 17	Dec 17	Jan Mid	
<b>IASB SIGNIFICANT PROJECTS</b>										
Insurance Contracts IFRS amendment issued on 25 June 2020	ED DCL July 2019	ED FCL Sept 2019	<b>DEA</b>	<b>DEA</b>						<b>FEA</b>
Rate-regulated Activities (ED expected H2 2020)	DP DCL Oct 2014	DP FCL Jan 2015							<b>DCL</b>	
Disclosure initiative – Targeted Standards-level Review of Disclosures (ED expected H1 2021)										

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Project (IASB next steps in brackets)	Most recent status		2020							
			Jul 28	(August)/ Sept 10	Oct 8	Oct 30	Nov 17	Dec 17	Jan Mid	
Dynamic Risk Management (Core model outreach discussion Q4 2020)	DP DCL July 2014	DP FCL Oct 2014							Discuss results of field test of core model	
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				Project Update	<b>DCL</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>FCL</b>				

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			Jul 28	(August)/ Sept 10	Oct 8	Oct 30	Nov 17	Dec 17	Jan Mid
2020 Agenda consultation (Request for information expected H1 2021)									
<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						DEA (written procedure)	
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) – 2 amendments (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		DEA (written procedure)					

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Project (IASB next steps in brackets)	Most recent status		2020						
			Jul 28	(August)/ Sept 10	Oct 8	Oct 30	Nov 17	Dec 17	Jan Mid
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							
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						DEA (written procedure)	
Management Commentary Practice Statement (ED expected Dec 2020)							Project Update		
Onerous contracts - Costs of fulfilling a contract (amend IAS 37)	DEA Jun 2020				FEA (written approval)				
PPE Proceeds before Intended Use (amend IAS 16)	DEA Jun 2020				FEA (written procedure)				
Provisions (Decide project direction)									

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			Jul 28	(August)/ Sept 10	Oct 8	Oct 30	Nov 17	Dec 17	Jan Mid
Subsidiaries that are SMEs (Discussion Paper or ED decision Q4 2020)									
Updating a reference to the Conceptual Framework (amend IFRS 3)	DEA Jun 2020				FEA (written procedure)				
Lease Liability in a Sale and Leaseback (amend IFRS 16) (ED Q3 2020)							DCL (written procedure)		
Annual Improvements 2018-2020 Cycle	DEA Jun 2020								
• Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (amend IFRS 9)					FEA (written procedure)				
• Lease Incentives (amend to illustrative example 13 accompanying IFRS 16)					Not applicable				



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			Jul 28	(August)/ Sept 10	Oct 8	Oct 30	Nov 17	Dec 17	Jan Mid
• Subsidiary as a First-time Adopter (amend IFRS 1)					FEA (written procedure)				
• Taxation in Fair Value Measurements (amend IAS 41)					FEA (written procedure)				
<b>IASB PROJECTS: Research</b>									
Business Combinations Under Common Control (DP Sept 2020)					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				

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Project (IASB next steps in brackets)	Most recent status		2020						
			Jul 28	(August)/ Sept 10	Oct 8	Oct 30	Nov 17	Dec 17	Jan Mid
IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>									
<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									