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Post-implementation review of IFRS 10, IFRS 11, and IFRS 12

Cover Note

Objective

- 1 The objective of the session is to
 - (a) update EFRAG TEG members on recent developments in this IASB project on Post-implementation Review of IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, and IFRS 12 *Disclosure of Interests in Other Entities* (the PIR);
 - (b) discuss potential EFRAG outreach activities in regard to the PIR; and
 - (c) discuss with EFRAG TEG members a draft questionnaire for users and preparers (based on EFRAG's discussion in Q1 2020 and comments received during October 2020 EFRAG TEG meeting).

IASB project

- 2 In April 2020 IASB meeting, the IASB tentatively decided to restrict the Request for Information (the RFI) to the following:
 - (a) in relation to IFRS 10:
 - (i) power over an investee;
 - (ii) the link between power and returns, with a focus on identifying agency relationships;
 - (iii) accounting requirements, with a focus on changes in ownership interests; and
 - (iv) the investment entity consolidation exception.
 - (b) in relation to IFRS 11:
 - (i) collaboration arrangements outside the scope of IFRS 11;
 - (ii) the classification of joint arrangements as joint operations based on other facts and circumstances; and
 - (iii) accounting requirements, with a focus on joint operations.
 - (c) in relation to IFRS 12, the quality of information an entity provides and whether and how well the disclosure objectives are met by an entity applying the requirements.
- 3 The RFI will not include questions on revised IAS 27 *Separate Financial Statements* and revised IAS 28 *Investments in Associates and Joint Ventures*. Furthermore, it will not consider the interactions of the IFRS Standards under review with other IFRS Standards.

- 4 At its meeting in November 2020, the IASB:
 - (a) approved the publication of RFI; and
 - (b) agreed on 150-day comment period.
- 5 Consequently, given the early December publication date of the RFI, the comment period is expected to end in early-May 2021.

EFRAG’s outreach activities

- 6 EFRAG Secretariat is planning outreach activities in order to collect information required to respond to the questions included in the forthcoming RFI. EFRAG also envisages eventual further comments on European-specific topics.
- 7 EFRAG Secretariat anticipates the following possible outreach activities”
 - (a) Publishing survey questionnaires for users and preparers - we plan to publish the surveys in January 2021. The surveys will cover separate questions for users and for preparers. A draft of the surveys is presented in Agenda Paper 05-02 of this meeting.
 - (b) Joint outreach events with National Standard Setters and the IASB, for users and preparers, in the form of webinars or physical events, depending on the future epidemiological situation. Where possible, we plan to align the outreaches with the plans of the IASB Staff in order to jointly carry the outreach events.
 - (c) Interviews with users and preparers.
 - (d) Desktop research in order to identify current practises.

Questions for EFRAG TEG members

- 8 What other outreach activities should EFRAG Secretariat plan in order to collect European views to respond to the RFI?
- 9 Do you have comments or suggestions regarding EFRAG Secretariat’s plans for outreach activities?

Agenda Papers

- 10 In addition to this cover note - *Agenda Paper 05-02 – Questionnaires* – has been uploaded for the session: