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PIR IFRS 9 Impairment – PIR Phase 2 project plan

Objective

- 1 The objective of this paper is to discuss with EFRAG FR TEG the IASB next steps for the project (PIR Phase 2) in the light of the feedback received by the IASB.

The IASB project plan and next steps

- 2 The IASB staff plan to bring papers by topics in the order discussed in the RFI (which is consistent with the order the requirements are set out in IFRS 9). This would ensure that potential interactions between requirements in IFRS 9, and the disclosure requirements in IFRS 7 are considered.
- 3 Given the little feedback on the simplified approach, the IASB staff plan to include that topic within the ‘other matters’ paper. For transition, the IASB staff is of view that no further analysis of feedback is required.
- 4 The IASB notes that the most feedback was received on two topics: the interaction of impairment requirements and other requirements (Question 7 of the RFI) and credit risk disclosures (Question 9 of the RFI). In the IASB staff view, the volume of feedback however does not indicate that either of these topics are urgent, but rather that most respondents think these are the topics for which the IASB should take action.
- 5 For many other application challenges identified, respondents did not always provide information about whether matters are pervasive and have substantial consequences. The IASB staff may therefore consider gathering such information through other activities, for example, consulting with the IFRS IC.
- 6 The IASB staff are planning to finalise the staff analysis and recommendations by the second quarter of 2024. At the end of the PIR, the IASB will publish a project report and feedback statement.
- 7 The following table represents a more detailed project plan:

Topics for discussion in PIR Phase 2	Expected timing
1. General approach to recognising ECL	January/February 2024
2. Determining significant increases in credit risk	February 2024
3. Measuring ECL	Q1/Q2 2024
4. Purchased or originated credit-impaired assets	Q2 2024
5. Interaction of impairment requirements with other requirements	Q2 2024

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6. Credit risk disclosures	Q2 2024
7. Other matters	Q2 2024

Questions to EFRAG FR TEG

8 Does EFRAG FR TEG have any comments on the IASB project plan for PIR Phase 2 and next steps?