
Accounting Standards Advisory Forum meeting

Date **July 2024**
Project **ASAF**
Topic **ASAF planning and feedback from previous meetings**

Contacts **Elena Kostina** (elena.kostina@ifrs.org)
Fred Nieto (fnieto@ifrs.org)

This paper has been prepared for discussion at a public meeting of the Accounting Standards Advisory Forum (ASAF). This paper does not represent the views of the International Accounting Standards Board (IASB) or any individual IASB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS[®] Accounting Standards. The IASB's technical decisions are made in public and are reported in the IASB[®] *Update*.

Introduction

1. The aim of this paper is to:
 - (a) discuss the agenda topics for the September 2024 meeting of the Accounting Standards Advisory Forum (ASAF); and
 - (b) provide ASAF members with feedback on how the staff or the International Accounting Standards Board (IASB) have considered (or will consider) the advice given at the December 2023, January and March 2024 ASAF meetings.
2. Information about the IASB's work plan and the status of projects is available on the IFRS Foundation website.

Structure of the paper and questions for ASAF members

3. There are two appendices to this paper:
 - (a) Appendix A sets out the suggested agenda topics for the September 2024 ASAF meeting; and
 - (b) Appendix B sets out a table summarising the feedback from the December 2023, January and March 2024 ASAF meetings and how the staff or the IASB have considered (or will consider) this feedback.

Questions for ASAF members

1. Do ASAF members have any comments on the proposed agenda topics for the September 2024 ASAF meeting or wish to add items arising from their jurisdiction to the proposed agenda topics (Appendix A)?
2. Do ASAF members have any comments on how the feedback from the December 2023, January and March 2024 ASAF meetings has been (or will be) used by the staff or the IASB (Appendix B)?

Appendix A—ASAF agenda topics

Agenda topic	Purpose of the discussion
December 2023 ASAF meeting	
Primary Financial Statements	Provide ASAF members a project update, including discussions with the IFRS Advisory Council, and seek input and advice from ASAF members on steps after publication to support implementation and consistent application of the prospective IFRS Accounting Standard.
Climate-related and Other Uncertainties in the Financial Statements	Provide ASAF members a project update and seek input and advice from ASAF members on the possible solutions to address the concerns around reporting climate-related and other uncertainties in the financial statements.
January 2024 ad hoc ASAF meeting	
Power Purchase Agreements	Provide ASAF members a project update and get views from ASAF members on the IASB's proposed approach to narrow-scope standard-setting that will form the basis of an Exposure Draft to be published in H1 2024.
March 2024 ASAF meeting	
Subsidiaries without Public Accountability: Disclosures	Provide ASAF members an educational session in anticipation of the publication of the new IFRS Standard.
Rate-regulated Activities	Provide ASAF members a project update and seek ASAF members' views on the IASB's tentative decisions in Q3 and Q4 2023.
Post-implementation Review of IFRS 9—Impairment	Provide ASAF members a project update and seek ASAF members' views on the list of application questions discussed at the IFRS IC meeting in March 2024.
Amendments to the Classification and Measurement of Financial Instruments	Provide ASAF members an overview of key decisions made by the Board and clarify any questions ASAF members may have about final amendments to be made to IFRS 9.
Post-implementation review of IFRS 15 Revenue from Contracts with Customers	Provide ASAF members a project update and seek ASAF members' views on the IASB's discussions in January and February 2024 and the topics that will be discussed at the IASB meeting in March 2024.
Climate-related and Other Uncertainties in the Financial Statements	Provide ASAF members a project update and seek ASAF members' views on the topics that will be discussed at the IASB meeting in March 2024.
EFRAG's project on Variable consideration	EFRAG will share the findings of its research project on Variable Consideration with the ASAF members.

Agenda topic	Purpose of the discussion
Financial Instruments with Characteristics of Equity	EFRAG will share the findings of its outreach activities on the project with the ASAF members.
July 2024 ASAF meeting (Actual)	
Financial Instruments with Characteristics of Equity	Provide ASAF members a project update and share initial feedback on the Exposure Draft <i>Financial Instruments with Characteristics of Equity</i> .
Provisions—Targeted Improvements	Provide ASAF members with a project update and seek ASAF members’ views on the IASB’s tentative decisions to date and updated staff suggestions for possible amendments to the requirements supporting the ‘present obligation’ recognition criterion in IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> .
Power Purchase Agreements	Seek ASAF members’ views on the Exposure Draft on <i>Power Purchase Agreements</i> .
Business Combinations—Disclosures, Goodwill and Impairment	Seek ASAF members’ views on the Exposure Draft <i>Business Combinations—Disclosures, Goodwill and Impairment</i> .
AcSB’s project on Carbon Credits	AcSB to share the findings of its research project on Carbon Credits with the ASAF members.
FASB’s project on Carbon Credits	FASB to share the findings of its project Accounting for Environmental Credit Programs with the ASAF members.
Pollutant Pricing Mechanisms (PPMs)	Share with ASAF members information gathered as part of the IASB’s ‘horizon scanning’ including the findings of the survey about the nature and prevalence of PPMs in different jurisdictions.
UKEB’s project on Intangible Assets	UKEB to share the findings of its research project on Intangible Assets with the ASAF members.
Intangible Assets	Commence discussions with ASAF on the project and will seek initial views on the scope of the project and how the project should be phased to achieve timely improvements to the accounting for Intangible Assets.
September 2024 ASAF meeting (Proposed topics)	
Dynamic Risk Management (DRM)	Provide ASAF members a project update and seek ASAF members’ views on the types of business activities relevant to the DRM model, as well as the potential presentation and disclosure requirements.
Climate-related and Other Uncertainties in the Financial Statements	Seek feedback from ASAF members on the project, including feedback on the Exposure Draft proposing examples illustrating the application of the requirements in IFRS Accounting Standards to

Agenda topic	Purpose of the discussion
	report the effects of climate-related and other uncertainties in financial statements.
Post-implementation Review (PIR) of IFRS 16 <i>Leases</i>	Seek ASAF members' views on the implementation and ongoing application of IFRS 16 <i>Leases</i> , including matters that they think the IASB should consider in the PIR of the Standard.
Rate-regulated Activities	The staff will provide a project update and seek ASAF members' views on the IASB's tentative decisions in January–July 2024.
Statement of cash flows	AcSB will present the results of its research and will share users' perspectives on the application of IAS 7 <i>Statement of Cash Flows</i> .
IFRS 17 <i>Insurance Contracts</i>	AcSB will present results of discussions and will share users' perspectives on the first year of application of IFRS 17 <i>Insurance Contracts</i> .

Appendix B—Feedback from the December 2023, January and March 2024 meetings

Topic	Summary of ASAF advice	How the advice has been/will be applied
Primary Financial Statements (December 2023)		
<p>The purpose of this session was to provide ASAF members a project update, including discussions with the IFRS Advisory Council, and seek input and advice from ASAF members on steps after publication to support implementation and consistent application of the prospective IFRS Accounting Standard.</p>		
	<p>ASAF members agreed with the high-level messages the IASB plans to use in its communications strategy and shared ways to support implementation and consistent application of IFRS 18.</p>	<p>The IASB will consider the feedback from ASAF members in developing its plans to support implementation and consistent application of IFRS 18.</p>
Climate-related and Other Uncertainties in the Financial Statements (December 2023)		
<p>The purpose of this session was to provide ASAF members a project update and seek input and advice from ASAF members on the possible solutions to address the concerns around reporting climate-related and other uncertainties in the financial statements.</p>		
	<p>Most ASAF members said that examples would help entities apply IFRS Accounting Standards in reporting the effects of climate-related and other uncertainties in the financial statements. ASAF members generally expressed a preference for the IASB to include such examples in the form of illustrative examples accompanying IFRS Accounting Standards or to incorporate them into the Standards.</p>	<p>In July, the IASB expect to publish an Exposure Draft proposing eight examples illustrating the application of the requirements in IFRS Accounting Standards to report the effects of climate-related and other uncertainties in financial statements. The IASB has considered the advice from ASAF members in developing these illustrative examples.</p>
Power Purchase Agreements (January 2024)		
<p>The purpose of this session was to provide ASAF members a project update and get views from ASAF members on the IASB's proposed approach to narrow-scope standard-setting that will form the basis of an Exposure Draft to be published in H1 2024.</p>		

Topic	Summary of ASAF advice	How the advice has been/will be applied
	<p>Many ASAF members provided further input into a potential narrow-scope standard-setting solution. Most members emphasised that a solution is not only need for physical but also for virtual PPAs. One member expressed concerns about making changes to the own-use requirements for physical PPAs because it could result in different accounting treatments for physical and virtual PPAs.</p>	<p>The information obtained from ASAF members was incorporated in the ED <i>Contracts for Renewable Electricity</i>. Further feedback on the proposal published in May 2024 will be incorporated into the August 2024 IASB Agenda paper which will provide a high level summary of the ED <i>Contracts for Renewable Electricity</i>.</p>
<p>Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures (March 2024)</p> <p>The purpose of the session was to:</p> <ul style="list-style-type: none"> (a) provide an overview of the forthcoming IFRS Accounting Standard IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i> (the Subsidiaries Standard) and its expected effects; and (b) update ASAF members on the IASB’s next steps after issuing the Subsidiaries Standard. 		
	<p>Most of the ASAF members who commented expressed general agreement with IFRS 19 highlighting a number of its expected benefits. A few ASAF members commented on IASB’s actions after it issues the Standard.</p>	<p>IFRS 19 was issued in May 2024. The IASB will consider feedback from ASAF members as it monitors the adoption and implementation of the Standard.</p>
<p>Rate-regulated Activities (March 2024)</p> <p>The purpose of the session was to:</p> <ul style="list-style-type: none"> (a) to update ASAF members on the redeliberations of the Exposure Draft <i>Regulatory Assets and Regulatory Liabilities</i>; and (b) to seek ASAF members’ views on whether the IASB’s tentative decisions in Q3 and Q4 2023 helped address stakeholders’ concerns. 		

Topic	Summary of ASAF advice	How the advice has been/will be applied
	<p>ASAF members generally supported the IASB’s tentative decisions related to:</p> <ul style="list-style-type: none"> • credit risk and other risks; • presentation; • items affecting regulated rates only when related cash is paid or received; and • offsetting. <p>ASAF members expressed mixed views on the direct (no direct) relationship concept and the unit of account.</p>	<p>The IASB will continue to redeliberate the proposals at future meetings.</p>
<p>Post-implementation Review (PIR) of IFRS 9—Impairment (March 2024)</p> <p>The purpose of the session was to provide an overview of the feedback on the PIR of impairment requirements in IFRS 9 and seek ASAF members’ views on:</p> <p>(a) the IASB’s deliberations about the PIR feedback on the general approach to recognising expected credit losses (ECL) and determining significant increases in credit risk (SICR); and</p> <p>(b) the prevalence and significance in ASAF members’ jurisdictions of some application matters raised during the PIR.</p>		
<p>Applying the general approach to intragroup financial instruments</p>	<p>Mixed views from ASAF members on what action, if any, the IASB should take relating the approach for recognising ECL for intragroup financial instruments.</p>	<p>The IASB considered the feedback from ASAF members at its May 2024 meeting, including whether to add an illustrative example to IFRS 9 relating this matter. The IASB decided to take no action on this matter. See Agenda Paper 27C of the IASB’s May 2024 meeting for further details.</p>

Topic	Summary of ASAF advice	How the advice has been/will be applied
Application matters relating loan commitments and financial guarantee contracts	ASAF members said that although loan commitments are pervasive, the related application matters generally do not result in substantial consequences in practice.	The IASB considered the feedback from stakeholders and ASAF members relating loan commitments at its April 2024 meeting. The IASB decided to take no action on these application matters. See Agenda Paper 27A of IASB's April 2024 meeting for further details.
Application matters relating financial guarantee contracts	ASAF members said that some matters relating financial guarantee contracts give rise to significant application challenges in practice. This included matters that relate to application of requirements in other IFRS Accounting Standards.	The IASB considered the feedback from stakeholders and ASAF members relating financial guarantee contracts at its April 2024 meeting. The IASB decided to consider these application matters as part of its next agenda consultation. See Agenda Paper 27A of IASB's April 2024 meeting for further details.
<p>Amendments to the Classification and Measurement of Financial Instruments (March 2024)</p> <p>The purpose of the session was to summarise the IASB's tentative decisions responding to feedback on the Exposure Draft <i>Amendments to the Classification and Measurement of Financial Instruments</i>. ASAF members were asked for their initial views on the IASB's tentative decisions.</p>		
	ASAF members generally agreed with the IASB's tentative decisions on finalising the amendments. However, some ASAF members said that further clarification or guidance on particular aspects of the IASB's tentative decisions would be helpful.	The IASB considered the advice from ASAF members when finalising the amendments. The amendments were finalised in May 2024.
<p>Post-implementation Review (PIR) of IFRS 15 Revenue from Contracts with Customers (March 2024)</p> <p>The purpose of the session was to update members on the PIR of IFRS 15 <i>Revenue from Contracts with Customers</i> project and seek members' views on the matters discussed by the IASB in January–March 2024.</p>		

Topic	Summary of ASAF advice	How the advice has been/will be applied
	<p>Most ASAF members said that IFRS 15 is generally working well. However, many members highlighted the importance of addressing application matters related to the principal versus agent considerations. Other matters raised by ASAF members included accounting for consideration payable to a customer, licensing, the timing of revenue recognition and applying IFRS 15 with other IFRS Accounting Standards.</p>	<p>The IASB considered the feedback from ASAF members relating to consideration payable to a customer at its April 2025 meeting (see Agenda Paper 6F). The IASB will consider other feedback from ASAF members in finalising its decisions in the post-implementation review.</p>
<p>Climate-related and Other Uncertainties in the Financial Statements (March 2024)</p> <p>The purpose of the session was:</p> <p>(a) to provide an update on the project; and</p> <p>(b) to seek ASAF members' views on the topics discussed at the IASB's March 2024 meeting.</p>		
	<p>ASAF members broadly agreed with or did not object to the approach for developing illustrative examples showing the application of the requirements in IFRS Accounting Standards to report the effects of climate-related and other uncertainties in the financial statements.</p>	<p>In July, the IASB expect to publish an Exposure Draft proposing eight examples illustrating the application of the requirements in IFRS Accounting Standards to report the effects of climate-related and other uncertainties in financial statements. The IASB has considered the advice from ASAF members in developing these illustrative examples.</p>
<p>EFRAG's project on Variable Consideration (March 2024)</p>		
	<p>EFRAG presented a summary of feedback received in response to EFRAG's Discussion Paper <i>Accounting for variable consideration—From a purchaser's perspective</i>.</p>	<p>Specific advice was not sought at this session.</p>

Topic	Summary of ASAF advice	How the advice has been/will be applied
Financial Instruments with Characteristics of Equity (March 2024)		
	EFRAG provided ASAF members with a summary of the results of EFRAG’s survey on the Exposure Draft <i>Financial Instruments with Characteristics of Equity</i> .	Specific advice was not sought at this session.