

## EFRAG SECRETARIAT PAPER FOR PUBLIC MEETING

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### **Technical Work Plan December 2016 – March 2017**

#### **Objective**

- 1 The objective of this session is for the EFRAG Board to conduct its monthly 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 implementation projects as significant.
- 4 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.
- 5 Attachment 2 to this note contains the draft technical work plan, based on the IASB's work plan as at 18 November 2016 and the research work plan. It also identifies the expected timing of written procedures.

#### **Question for the EFRAG Board**

- 6 Does the EFRAG Board approve the technical work plan?

## Attachment 1: Basis for classifying minor projects as significant

### *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*

- 7 *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts* was designed to address the concerns of the insurance industry that the effective date of IFRS 9 *Financial Instruments* is significantly earlier than the effective date of the new insurance contracts standard. The Standard was issued on 12 September 2016 and discussed by the ARC at its meeting on 21 September 2016. The EFRAG Board will consider a final endorsement advice at its joint meeting with EFRAG TEG on 11 January 2017.
- 8 This project is classified as significant because of the importance to Europe, including the impact on the endorsement of IFRS 9.

### *Classification and Measurement of Share-based Payment Transactions: Amendments to IFRS 2*

- 9 The EFRAG Board decided to discuss the endorsement advice in meeting because of the concerns of some members that entities in jurisdictions with a progressive tax system might face significant operational challenges with the scope definition for the exception for 'net settled features in the Amendments. The EFRAG Board is asked to approve a final endorsement advice at this meeting.

### *IFRS Practice Statement: Application of Materiality to Financial Statements*

- 10 In order to assess whether the draft Practice Statement is likely to have the desired impact, the EFRAG Board originally decided to discuss the draft comment letter in public. However, the draft comment letter was finalised by written procedure when the November meeting of the EFRAG Board was rescheduled as a conference call.
- 11 The EFRAG Board finalised the comment letter to the IASB in the March 2016 meeting. The project was discussed at the July ASAF meeting and the IASB is now deliberating its next steps.

### *Post-implementation reviews*

- 12 Given the controversial nature of the Standards that will be subject to post-implementation reviews, the EFRAG Board agreed at its September 2016 meeting that the EFRAG views should be classified as significant.

**Attachment 2: Work plan December 2016 – March 2017**

**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	Most recent status		2016		2017			
			Dec 13	Dec 21 cc	Jan 11/12	Feb 7	Feb 21 cc	March 16
<b>IASB SIGNIFICANT PROJECTS</b>								
Leases (IFRS 16 issued January 2016)	ED DCL July 2013	ED FCL Oct 2013		Consider issues	Consider issues	Consider issues	Consider issues	<b>FEA</b>
Insurance contracts (IFRS 17 expected March 2017)	ED DCL Aug 2013	ED FCL Dec 2013			Consider issues	Consider issues		Consider issues
Applying IFRS 9 <i>Financial Instruments</i> with IFRS 4 <i>Insurance Contracts</i> (IFRS issued 12 September)	ED DCL Dec 2015	ED FCL Feb 2016			<b>FEA</b>			
Rate-regulated activities (DP expected after 6 months)	DP DCL Oct 2014	DP FCL Jan 2015						
Disclosure Initiative – Principles of Disclosure (DP expected within 6 months)								Consider issues

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Project	Most recent status		2016		2017			
			Dec 13	Dec 21 cc	Jan 11/12	Feb 7	Feb 21 cc	March 16
Disclosure initiative – Materiality Practice Statement (Practice Statement expected after 6 months)	ED DCL Nov 2015	ED FCL Mar 2016						
Conceptual Framework (CF expected after 6 months)	ED DCL July 2015	ED FCL Dec 2015						
Dynamic Risk Management (DP expected after 6 months)	DP DCL July 2014	DP FCL Oct 2014	Update on outreach					
Classification and measurement of share-based payment transactions (IFRS issued June 2016)	DEA Oct 2016		<b>FEA</b>					
2015 Agenda Consultation (Feedback statement expected within 6 months)	DCL Oct 2015	FCL Jan 2016			Consider IASB decisions			
PIR: IFRS 13 <i>Fair Value Measurement</i> (Decide direction within 3 months)								
PIR: Consolidation IFRS s 10-12 (PIR starting after 6 months)								

Technical Work Plan December 2016 – March 2017

Project	Most recent status	2016		2017			
		Dec 13	Dec 21 cc	Jan 11/12	Feb 7	Feb 21 cc	March 16
<b>IASB PROJECTS BY WRITTEN PROCEDURE: Implementation</b>							
Changes in accounting policies and estimates (ED expected within 6 months)							
Clarifications to IFRS 8 from post-implementation review (ED expected within 6 months)							<b>ED DCL WP</b>
Classification of liabilities (IFRS expected after 6 months)	ED DCL Mar 2015	ED FCL Jun 2015					
Definition of a Business and Accounting for Previously Held Interests (Decide direction within 6 months)	ED DCL July 2016	ED FCL Nov 2016					
Foreign currency transactions and advance consideration (IFRIC expected December 2016)	ED DCL Nov 2015	ED FCL Feb 2016			<b>DEA WP</b>		<b>FEA WP</b>
IAS 16 PPE proceeds before intended use (ED expected within 6 months)							
Amendments IAS 19, IFRIC 14 (Decide direction within 3 months)	ED DCL July 2015	ED FCL Nov 2015					

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Project	Most recent status		2016		2017			
			Dec 13	Dec 21 cc	Jan 11/12	Feb 7	Feb 21 cc	March 16
Transfers of investment property (IFRS expected December 2016)	ED DCL Dec 2015	ED FCL Mar 2016			DEA WP			FEA WP
Uncertainty over Income Tax Treatment (IFRIC expected within 6 months)	ED DCL Nov 2015	ED FCL Feb 2016						
Annual Improvements 2014-2016 (IFRS expected December 2016)	ED DCL Dec 2015	ED FCL Mar 2016			DEA WP			FEA WP
Annual Improvements 2015-2017 (ED expected January 2017)						ED DCL WP		
<b>IASB PROJECTS: Research</b>								
Primary Financial Statements (Decide project scope within 3 months)								
Business Combinations Under Common Control (DP expected after 6 months)								
Financial Instruments with Characteristics of Equity (DP expected after 6 months)								
Goodwill and impairment (Decide direction after 6 months)								

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			Dec 13	Dec 21 cc	Jan 11/12	Feb 7	Feb 21 cc	March 16
Discount rates (Publish research summary within 6 months)								
Share-based Payment (Publish research summary within 3 months)								
<b>EFRAG RESEARCH PROJECTS</b>								
General update					Update			Update
General discussion on process management and respective roles					Paper			
Goodwill – impairment and amortisation								Consider EFRAG TEG recommendation