

STAFF PAPER

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IASB Meeting

Project	Conceptual Framework		
Paper topic	Project update		
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Purpose of paper

1. The purpose of this paper is to provide an update on the Conceptual Framework project. It is for information only and does not ask the Board for decisions.

Conceptual Framework for Financial Reporting

2. In February 2017, the Board completed its redeliberations of the *Conceptual Framework for Financial Reporting (Conceptual Framework)* and instructed the staff to begin the balloting process.
3. In July 2017, the staff issued to Board members and a number of external reviewers a pre-ballot draft of the *Conceptual Framework*. In September 2017 and October 2017, the Board discussed sweep issues coming out of the review of the pre-ballot draft of the *Conceptual Framework* and tentatively decided to make clarifications to Chapter 2—*Qualitative characteristics of useful financial information*. The Board also noted drafting improvements proposed by the staff on the concepts supporting the liability definition.
4. In December 2017, the staff issued to Board members a ballot draft of the *Conceptual Framework*. The staff expect to work through the comments on the ballot draft in the coming weeks to enable the Board to issue the *Conceptual Framework* in March 2018.

References to the Conceptual Framework

5. In March 2017, the Board completed its redeliberations of *References to the Conceptual Framework* and instructed the staff to begin the balloting process. That document will replace references in particular IFRS Standards to the *Framework for the Preparation and Presentation of Financial Statements (Framework)* with references to the revised *Conceptual Framework* in order to enable transition to the revised *Conceptual Framework* for preparers of financial statements.
6. In October 2017, the staff issued to Board members and a number of external reviewers a pre-ballot draft of *References to the Conceptual Framework*.
7. The staff have been working through the comments received on the pre-ballot draft of *References to the Conceptual Framework*. Subject to any sweep issues that may arise from that work, the staff expect to ballot *References to the Conceptual Framework* in February 2018 to enable the Board to issue *References to the Conceptual Framework* together with, or shortly after, the revised *Conceptual Framework*.
8. In January 2017, the Board tentatively decided that a transition period of approximately 18 months will be set for the amendments in *References to the Conceptual Framework*. Therefore, we expect the effective date for the amendments to be 1 January 2020.
9. Also in January 2017, the Board tentatively decided to retain the existing reference to the *Framework* in IFRS 3 *Business Combinations* to avoid any unintended consequences and to start a project to make a narrow-scope amendment to that Standard. The aim would be to replace the reference to the *Framework* in a way that would prevent unintended consequences. The staff have commenced scoping work for that project and will add it to the Board's work plan on the web site once that scoping work is completed.