

November 2016

IASB[®] Work Plan 2017-2021

Feedback Statement on the 2015 Agenda Consultation



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on the 2015 Agenda Consultation**

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Foreword by Hans Hoogervorst, IASB Chairman

Our mission is to bring transparency, accountability and efficiency to financial markets around the world. In setting our strategy and our work plan for carrying out that mission, we obtain valuable input by periodically carrying out public agenda consultations.

We began our most recent agenda consultation in 2015. In this Feedback Statement, we explain the messages that we received, and how they shaped the Board's work plan for the period until 2021. The four key conclusions from this process are:

Completion of the remaining standard-setting projects

In the last two years or so we have completed three major projects on financial instruments, on revenue and on leases. Stakeholders strongly supported our plans to complete our remaining work on insurance contracts and the *Conceptual Framework*. These continue to be our top priorities.

Better communication in financial reporting

Financial statements are tools for company managers to communicate with their investors. To make sure all that communication is as effective as possible, we will take a fresh look at how financial information is presented, how it is grouped and in what form it is made available. In doing so, we will also complete the Disclosure Initiative that we started after the previous agenda consultation.

Continued development of implementation support

We received strong confirmation that the Board should continue its work to provide support for stakeholders when they are implementing new IFRS Standards. We will continue to develop our implementation support, including online support, and to work with other bodies, such as regulators.

A more focused research programme

We introduced our research programme in response to the feedback received in the 2011 Agenda Consultation. In 2015, we heard much support for that increased focus on gathering evidence before we start a standard-setting project. We are committed to this evidence-based approach to standard-setting. In order to reduce the burden on stakeholders, we have decided to limit how many topics we work on at any one time. This will also enable us to deliver our conclusions in a timely manner.

Thank you

Thank you to everyone who took part in this process and helped the Board to determine its priorities for the next five years. I look forward to working on these priorities with the help of the global IFRS community.



A handwritten signature in black ink, appearing to be 'Hans Hoogervorst', written in a cursive style.

Hans Hoogervorst
IASB Chairman

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The last four years: 2012–2015

The International Accounting Standards Board (the Board) carried out its first agenda consultation in 2011 and published a Feedback Statement on that consultation in 2012 (the 2012 Feedback Statement). In the 2012 Feedback Statement, the Board said it would focus on the following three areas:

- (a) implementation and maintenance, including post-implementation reviews;
- (b) revision of the *Conceptual Framework*; and
- (c) a small number of major standard-setting projects.

It also set out the Board's research-led approach to standard-setting and its intention to undertake a Disclosure Initiative to explore how entities can improve and simplify disclosures within the existing disclosure requirements.

How has the Board performed, compared with its aims?

Implementation and maintenance

The Board, with the help of the IFRS Interpretations Committee (the Interpretations Committee), has placed great emphasis on maintaining IFRS Standards.

Since 2012, the Board has issued 16 narrow-scope amendments to existing Standards. It has also issued three sets of amendments, made in three cycles of annual improvements, to address a further 16 individual topics. It has issued one Interpretation, IFRIC 21 *Levies*, and conducted two post-implementation reviews—on IFRS 8 *Operating Segments* and IFRS 3 *Business Combinations*. The Board has also reviewed and amended the *IFRS for SMEs*[®] Standard.

Since 2012 the Board has also enhanced the maintenance and implementation support it provides by:

- (a) giving the Interpretations Committee a broader range of tools;
- (b) supplying more extensive implementation support after issuing new Standards, for example by setting up transition resource groups in some cases;
- (c) providing jurisdictions with endorsement and adoption support; and
- (d) continuing to develop the IFRS Education Initiative.

See pages 18–20 for a fuller description of the Board's efforts to support the implementation of IFRS Standards.

Conceptual Framework

Following messages received in the 2011 Agenda Consultation, the Board restarted its Conceptual Framework project in September 2012. To focus the project rigorously on essential changes only, the Board initially set an ambitious target of completing it by September 2015. The Board published a Discussion Paper in 2013 and an Exposure Draft in 2015.

The Board expects to issue a revised *Conceptual Framework* in the first half of 2017. See page 15 for further information on that topic.

Standard-setting projects

Since 2012, the Board has focused on completing the major standard-setting projects that were on its work plan at that time: on revenue, financial instruments, leases and insurance contracts. IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* were issued in 2014; IFRS 16 *Leases* was issued in 2016. The Board expects to complete the new insurance contracts Standard in the first half of 2017.

Following the 2011 Agenda Consultation, the Board added to its work plan three further standard-setting projects on bearer assets, on the use of the equity method in separate financial statements and on rate-regulated activities.

The work on bearer assets and on the use of the equity method in separate financial statements resulted, in 2014, in narrow-scope amendments to IAS 41 *Agriculture* and IAS 27 *Separate Financial Statements*.

In 2014, the Board also issued a temporary Standard, IFRS 14 *Regulatory Deferral Accounts*. This was designed for jurisdictions moving to IFRS Standards before the Board completes a project on rate-regulated activities. See page 15 for further information on that topic.

Research

Following the 2011 Agenda Consultation, the Board established a research programme that emphasises the need to define the problem to be solved, and to assess whether a feasible solution can be found, before deciding whether to add a standard-setting project to the work plan. The research programme is further discussed on pages 21–33.

Disclosure Initiative

The Board hosted a public discussion forum on Disclosure in Financial Reporting in January 2013. It also conducted a survey on this topic. A Feedback Statement on these activities was published in May 2013.

The Board then established its Disclosure Initiative and in 2013 set out a 10-point plan to improve disclosures. Progress on these points is summarised on the next page:

Ten-point plan for Disclosure Initiative	
Point	Status
1-3 Clarify current materiality guidance	
(a) reduce immaterial disclosures which can detract from useful information;	IAS 1 <i>Presentation of Financial Statements</i> amended December 2014.
(b) apply materiality to the whole of the financial statements; and	
(c) apply materiality to each disclosure requirement in a Standard.	
4-5 Clarify guidance on the order of notes, including accounting policies	
(a) remove language that implies a prescribed order of notes; and	
(b) remove language that prevents flexibility about the location of accounting policies in the notes.	
6 Net-debt reconciliation	
consider adding a net-debt reconciliation requirement.	IAS 7 <i>Statement of Cash Flows</i> amended January 2016.
7 Develop further guidance on materiality	
work with audit standard-setters and regulators.	Exposure Draft of IFRS Practice Statement: <i>Application of Materiality to Financial Statements</i> published October 2015.
8 Disclosure objectives in new Standards	
(a) use less prescriptive wording; and	Ongoing as new Standards are issued.
(b) focus on disclosure objectives.	
9 Research to create a new disclosure Standard	
(a) conduct a fundamental review of existing requirements; and	See page 17 for a discussion of the projects on Principles of Disclosure and Primary Financial Statements.
(b) consider role of primary financial statements.	
10 Review disclosure requirements in existing Standards	
consider how new principles of disclosure could be applied to existing Standards.	Start after feedback on the Principles of Disclosure Discussion Paper is received (see page 17).

Also see page 16 for a discussion of how the Board's theme of better communication in financial reporting has been developed from messages received in the 2015 Agenda Consultation.

Time taken to complete projects

Completing the major standard-setting projects has taken much longer than the Board anticipated in 2012. Most stakeholders agree, however, that:

- (a) it is important that IFRS Standards are of high quality. Thus, the Board's deliberations are not, and should not be, limited by time constraints;
- (b) additional time is needed for the Board's continuing initiatives to improve the quality of IFRS Standards, such as an increased focus on the quality of drafting and a more complete analysis before publication of the likely effects of applying a new Standard; and
- (c) the Board's standard-setting due process must be transparent and include adequate public consultation on a global basis.

As a result of comparing the timing it expected in 2012 with the time actually taken to complete some projects, the Board has concluded that it must:

- (a) set more realistic targets;
- (b) focus its actions and, therefore, limit the number of projects it undertakes, particularly in its research programme; and
- (c) prioritise its work more clearly and monitor progress carefully.

The Board explains in the rest of this Feedback Statement how its work plan now reflects these conclusions.

2015 consultation process

The purpose of the 2015 Agenda Consultation was to gather views on the strategic direction and balance of the Board’s work plan over the next three to five years. In this Feedback Statement, the Board summarises those views and explains how they have helped it to shape its work plan.

Request for Views

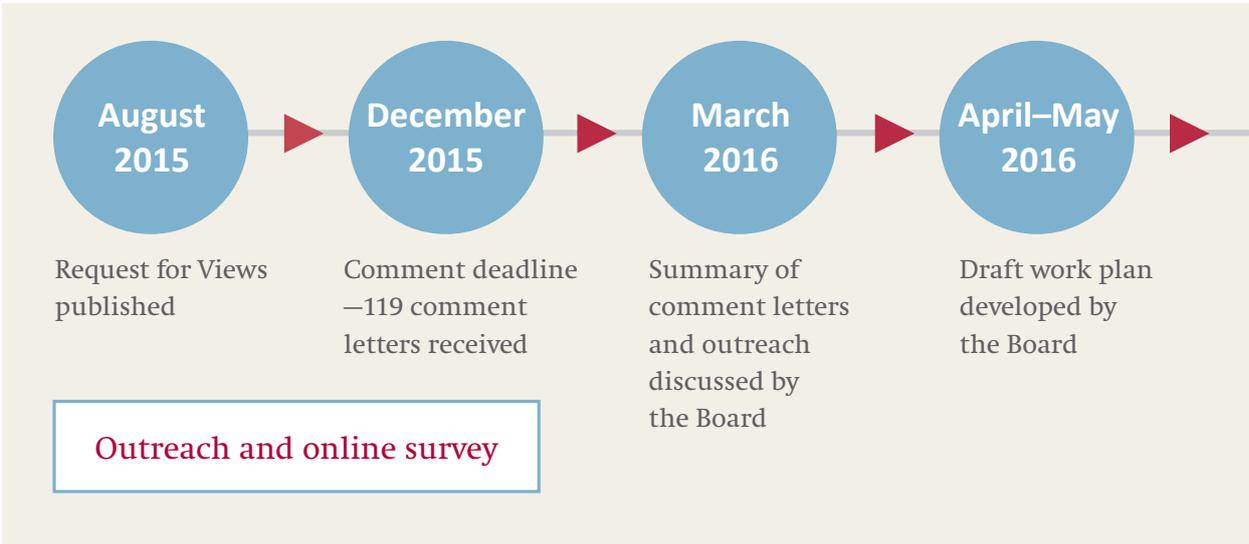
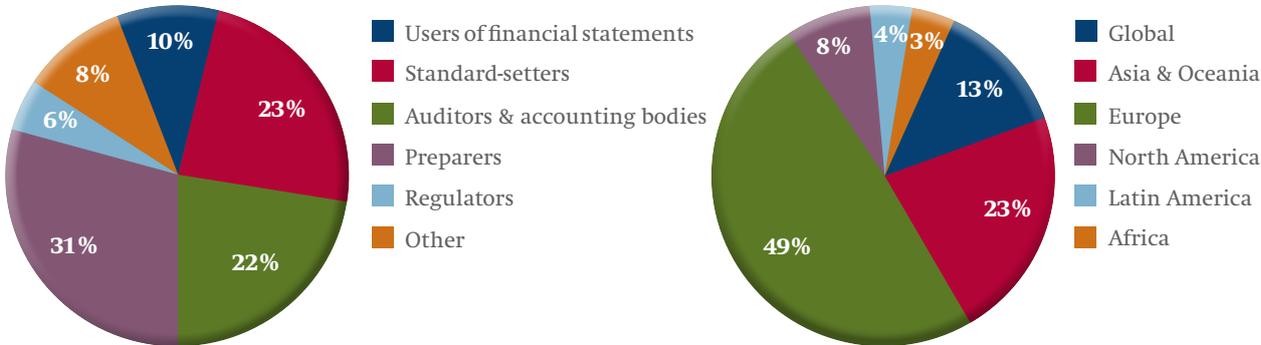
In August 2015, the Board published for public comment a Request for Views, with comments due by the end of December 2015.

In the Request for Views, the Board asked broad questions on:

- (a) the balance of its activities;
- (b) its research programme;
- (c) its standard-setting projects;
- (d) its maintenance activities and implementation support;
- (e) the level and pace of change; and
- (f) the frequency of its agenda consultations.

The Board received 119 comment letters, all of which are available on its website (www.ifrs.org). Respondents are listed on pages 41–43.

The respondents covered a range of jurisdictions and represented a range of different roles:



The Board discussed a summary of the comment letters in March 2016. The Agenda Paper discussed at that time (24A) is available on the Board’s website:

www.ifrs.org/Meetings/MeetingDocs/IASB/2016/March/AP24A-2015-Agenda-Consultation.pdf.

IFRS Advisory Council

The Board sought advice from the IFRS Advisory Council (the Advisory Council) throughout the 2015 Agenda Consultation. The Advisory Council is the advisory body to the Board and has over 45 members from a broad range of geographical and professional backgrounds.

The Advisory Council discussed the 2015 Agenda Consultation at four public meetings. At those meetings, it provided input when the Board was developing the Request for Views, discussed the feedback received on that document and considered the composition and presentation of the work plan that the Board developed in this process.

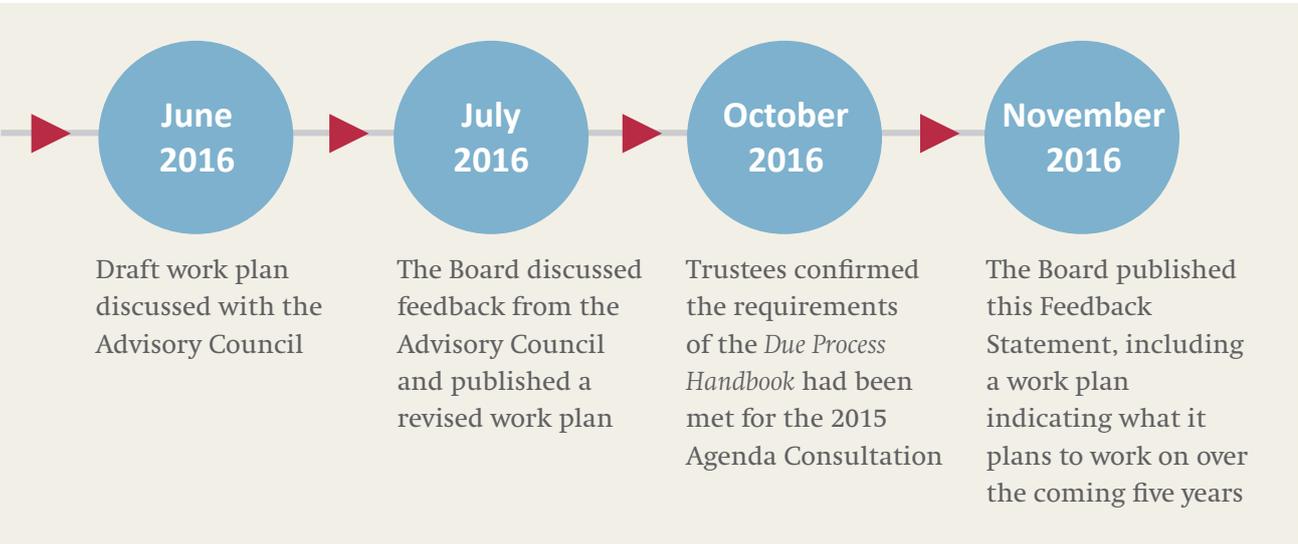
Trustees of the IFRS Foundation

Throughout the 2015 Agenda Consultation, the Board kept the Trustees of the IFRS Foundation (the Trustees) informed by providing updates to the Trustees’ Due Process Oversight Committee. In addition, the Trustees considered the 2015 Agenda Consultation at their May 2016 and October 2016 meetings.

Outreach

As part of its 2015 Agenda Consultation, the Board conducted over 30 outreach events with a number of stakeholders and advisory groups, including the Capital Markets Advisory Committee, other groups of users of financial statements (such as various national Corporate Reporting Users Forums), the Global Preparers Forum, the Emerging Economies Group, regional standard-setting groups and national standard-setters, regional and global regulators, and others. For example, the Board sought advice from the September 2015 meeting of the World Standard-Setters. The Accounting Standards Advisory Forum (ASAF) was then asked to discuss the advice from the meeting of the World Standard-Setters. In July 2016, ASAF also commented on the Board’s draft work plan developed in response to the messages received in the 2015 Agenda Consultation.

Outreach took a variety of forms, including face-to-face meetings, sessions at public conferences, audio and video conferences, and local discussion forums.



Outreach to the investor community

Investors are primary users of financial statements. Thus, their views are of particular interest to the Board. The Board raised awareness of the 2015 Agenda Consultation within the investor community, by some of the outreach events mentioned above, and by providing updates on the 2015 Agenda Consultation in the Board's investor newsletters. The 2015 Agenda Consultation was also the subject, in October 2015, of an article titled *Back to the Future* in the *IASB Investor Perspectives* series.

In response to the Request for Views, the Board received 12 comment letters from investors, of which nine reported views from investor representative groups.

The Board also conducted an online survey aimed towards the investor community, with 86 investors taking part, as well as 83 respondents of other types. Participants were asked for their views on the relative importance of the Board's research projects and about wider corporate reporting and technology issues.

The Board also held nine meetings with investor representative groups, including a November 2015 public meeting of the Capital Markets Advisory Committee.

Investor feedback was discussed by the Board at its April 2016 meeting. The Agenda Paper discussed (24C) is available on the IFRS Foundation's website:

<http://www.ifrs.org/Meetings/MeetingDocs/IASB/2016/April/AP24C-Agenda-Consultation.pdf>

This Feedback Statement identifies separately those areas about which investors held views that were different from those expressed by respondents of other types.

The Board's approach to setting its work plan

In reviewing the feedback received in the 2015 Agenda Consultation and deciding on its work plan, the Board considered the key themes raised in the feedback, the interaction of that consultation with the strategic review carried out by the Trustees, and the extent of standard-setting resources available.

Key themes

The Board began its decision-making process at its March 2016 meeting when it discussed the comment-letter analysis and a summary of the outreach performed during the consultation.

The Board identified four recurring themes in the feedback that it received, and those themes helped shape its work plan. The four themes are:

- (a) the need to complete the projects on Insurance Contracts and on the *Conceptual Framework* (page 15);
- (b) the importance of promoting better communication between preparers and users of financial statements (pages 16–17);
- (c) the importance of continuing to develop implementation support of new Standards (pages 18–20); and
- (d) the need for a more focused research programme (pages 21–33).

Interaction with the Trustees' Strategic Review

The Trustees carried out a review of the organisation's structure and effectiveness at the same time as the Board consulted on its work plan. The Trustees reported the results of that review in June 2016—*The Trustees of the IFRS Foundation Review of Strategy and Effectiveness: Feedback Statement* (the Trustees' Strategic Review).

The following two themes, identified in the Trustees' Strategic Review, directly affected the Board's approach to setting its work plan:

- (a) Relevance of IFRS Standards—it is important for IFRS Standards to maintain their relevance by requiring entities to provide information useful to users of financial statements. This theme links into the Board's theme of promoting better communication between preparers and users of financial statements.
- (b) Consistent application of IFRS Standards—inconsistent application of IFRS Standards undermines their benefits, both directly by reducing the quality of the information produced when using the Standards and indirectly by damaging the IFRS brand. Supporting consistent application has been emphasised in the Board's continuing focus on developing the implementation support of new Standards and on its maintenance of existing Standards.

Standard-setting resources

In developing its work plan, the Board considered stakeholders' capacity to manage change and the use of external resources as well as the extent of the Board's own resources.

Developing high-quality, global Standards requires all types of stakeholders across the world to be able to respond to the Board's proposals. The Board is sensitive to stakeholders' comments about suffering from 'consultation fatigue' and is aware that stakeholders have only a limited capacity to respond to its proposals.

The Board is also aware of the impact that implementing recently issued, major new IFRS Standards will have on stakeholders over the next five years. In setting its work plan, therefore, the Board was concerned that any increase in the volume of its output, whether as proposals or as final Standards, could overload stakeholders.

Some respondents to the Request for Views suggested that the Board should work more closely with other organisations, including national standard-setters and various specialists, both to overcome limits on its own resources and to improve the quality of the analysis and of other work done.

The Board agrees that working with other organisations could provide it with additional resources, supplying a wider range of skills and experience of local conditions or subject areas. On the other hand, working with other organisations does require some additional activity to liaise with those organisations and to make the process efficient and effective. Moreover, obtaining additional resources by working with other organisations cannot overcome inherent limitations on stakeholders' capacity to cope with change.

The Board already undertakes activities with others and has devoted additional resources to continue with such interactions. The Board will consider, on a project-by-project basis, how best to work with other organisations.

The Board reviewed its current level of staffing, including secondees from other organisations and visiting fellows. As a result of this review, the Board concluded that its existing level of resource is appropriate to enable it to carry out its work plan over the next five years without overloading stakeholders.

Work plan themes for the next five years

1. Completion of the remaining standard-setting projects

Key messages received

- Completing the projects on Leases (completed in 2016) and Insurance Contracts should be a high priority.
- It is important that IFRS Standards continue to be based on principles.
- The completion of the revised *Conceptual Framework* should be a high priority because it is fundamental to developing high-quality, consistent Standards based on clear principles.

Respondents stated that the completion of the standard-setting projects remaining at the end of 2015 (Leases and Insurance Contracts) should be a high priority. Respondents also said the *Conceptual Framework* should be completed because it is fundamental to developing consistent Standards based on clear principles.

The Board completed its Leases project, issuing IFRS 16 *Leases*, in January 2016. The Board places a very high priority on completing its project on Insurance Contracts, which is in a late stage of completion. The Board agrees that the *Conceptual Framework* is fundamental to the Board’s standard-setting and to the implementation support the Board provides.

The Board decided that the projects on Insurance Contracts and the *Conceptual Framework* should both remain on its standard-setting work plan, together with the other two existing standard-setting projects on Materiality and on Rate-regulated Activities.

Standard-setting projects	
Project	Status at October 2016
Conceptual Framework	Completion expected in the first half of 2017, with some limited post-issuance activities, principally education, in 2017 and 2018.
Insurance Contracts	Completion expected in the first half of 2017, followed by post-issuance support during 2017 and 2018.
Materiality	Part of the Disclosure Initiative. Practice Statement expected in the first half of 2017.
Rate-regulated Activities	The Board has asked the staff to develop an accounting model. It expects to consult stakeholders in 2017.

In this Feedback Statement, the Board uses the following terms:

- (a) standard-setting projects—for projects intended to lead to a new Standard or to a major amendment to an existing Standard. The term ‘Standard’ also covers other important documents, such as the *Conceptual Framework* and Practice Statements; and
- (b) maintenance projects—for projects to develop a narrow-scope amendment to an existing Standard.

2. Better communication in financial reporting

Key messages received

- The Board's Disclosure Initiative is important to most respondents, of all types and across all regions.
- There was widespread support for continuing the project on Principles of Disclosure.
- The Board should prioritise projects that are important to users of financial statements. In particular, many investors suggested that the Board should look at ways of better communicating financial performance.

Investors told us that, at present, valuable information is often hidden by 'boilerplate' disclosures and that financial information is often poorly presented. It can be difficult and time-consuming for users of financial statements to identify the most useful information among all the information that is disclosed and important information may not be included.

Investors want the Board to prioritise targeted projects that would significantly enhance the information they receive. They asked the Board to refocus its standard-setting projects to address topics that could make financial reporting more relevant, or could improve the communication of existing information. The topics they identified included performance reporting and topics that the Board is considering in its Disclosure Initiative. Investors said that such projects could deliver significant improvements more quickly ('quick wins') than more ambitious and technically complex projects.

Respondents to the Request for Views also said that fulfilling users' needs for information is consistent with the objective of financial reporting, that it supports the Trustees' goal that the Board should develop high-quality Standards and that it should be a high priority for the Board.

These calls to improve the disclosure of financial information echo those heard by the Board in 2013 at its public discussion forum on Disclosure in Financial Reporting, which led the Board to establish the Disclosure Initiative. (See page 7.)

In the light of these messages, the Board has decided to focus for the next few years on projects that will result in better communication in financial reporting, by improving presentation and disclosure, and that place less emphasis on changes to recognition and measurement requirements.

In support of this theme of better communication in financial reporting, the Board decided that the following projects are important to users of financial statements and therefore should remain on its work plan:

Better communication in financial reporting

Project	Description
Primary Financial Statements	<p>This research project will:</p> <ul style="list-style-type: none"> (a) consider the structure and content of the statement(s) of financial performance, including line item subtotals and alternative performance measures; (b) explore whether there is a need to improve the structure and content of the statement of cash flows and of the statement of financial position; and (c) consider the interaction between the primary financial statements.
Disclosure Initiative—Principles of Disclosure	<p>In this research project, the Board is looking to develop disclosure principles that could apply across all IFRS Standards. The purpose of these principles would be to help the Board set better disclosure requirements and to enable preparers to make better judgements about disclosures. The Board intends to publish in the first half of 2017 its suggested principles of disclosure in a Discussion Paper for discussion and comment.</p> <p>After considering feedback received on the suggested principles, the Board will also consider whether to start a project to make targeted improvements to disclosure requirements in existing IFRS Standards.</p>
Disclosure Initiative—Materiality Practice Statement	<p>The objective of this project on materiality is to help preparers, auditors and regulators to use their judgement when applying the concept of materiality. The final Practice Statement is due to be published in the first half of 2017.</p>
IFRS Taxonomy	<p>The IFRS Taxonomy supports the electronic reporting of information prepared using IFRS Standards. The Board plans to maintain and improve the IFRS Taxonomy while at the same time encouraging and supporting the use of electronic reporting. The Board will also examine how changes in technology could affect financial reporting.</p>

3. Continued development of implementation support

Key messages received

- The Board should focus on fewer standard-setting projects to allow stakeholders to focus on implementing recently issued IFRS Standards.
- The Board should continue to provide implementation support for stakeholders on new IFRS Standards.
- The Board's work on post-implementation reviews is welcome.
- The Board should not develop too many narrow-scope amendments.
- Any additional guidance should clarify principles rather than introduce complex rules.
- The Board should focus its maintenance activities on post-implementation reviews of recently issued Standards.
- If a number of issues arise on an older Standard, the Board should carry out broader reviews of that Standard.

Stakeholders referred, in particular, to the level of change that will be required to implement the new Standards IFRS 9 *Financial Instruments*, IFRS 15 *Revenue from Contracts with Customers* and IFRS 16 *Leases*. Completion of the Insurance Contracts project in the first half of 2017 will also have a fundamental effect on entities that issue insurance contracts.

Respondents commented on the burden placed on stakeholders by the level of consultation needed in recent years for five major projects (IFRS 9, IFRS 15, IFRS 16, Insurance Contracts, and Conceptual Framework). They said that this level of activity had led to 'consultation fatigue' amongst stakeholders.

Consequently, stakeholders asked the Board to focus on activities designed to make the implementation of new Standards more consistent and less burdensome. The Board concluded that it should focus on activities to support the implementation of the recently issued major Standards.

In addition, the Trustees' Strategic Review confirmed fostering consistent application of IFRS Standards as a key objective of the IFRS Foundation. As part of the Board's implementation and application activities, it will continue to develop its relationships with organisations, such as regulators, that have a role to play in consistent application.

Implementation support for newly issued Standards

Since 2014, the Board has issued three major new Standards—on financial instruments, revenue and leases. The Board has dedicated additional staff and Board resources to help those supporting the implementation of newly issued Standards. For example, the Board has:

- (a) committed substantial resources to transition resource groups for revenue recognition and the impairment of financial assets, following the issuance of IFRS 15 and IFRS 9;
- (b) developed, and is continuing to develop, education materials (including webcasts on specific topics) and conferences to support the implementation of the new Standards; and
- (c) created implementation pages on the Board's website for IFRS 9, IFRS 15 and IFRS 16. These pages bring together all of the materials that are made available by the Board and provide information on the Board's ongoing activities to provide support for the implementation of these Standards.

The Board's development of implementation activities in support of new Standards will continue and be extended to cover future new Standards as they are issued, with the level of activity tailored to each new Standard.

Supporting application of existing Standards

In order to support those who apply IFRS Standards, the Board will continue to:

- (a) maintain an effective interpretations process for responding to application questions;
- (b) perform post-implementation reviews to assess the quality of existing Standards and the quality of their implementation; and
- (c) align the work of the Education Initiative with other implementation and application activities and extend it to make optimal use of the website and explore new online delivery mechanisms.

The Board has also brought greater focus to its work supporting the application of IFRS Standards by combining implementation and application support, adoption support and education activities into a single staff team.

Post-implementation reviews

Many respondents consider post-implementation reviews as a useful tool, both to make the Board aware of implementation issues with a Standard and to help identify topics that should be investigated further.

The Board has completed two post-implementation reviews—on IFRS 8 *Operating Segments* and on IFRS 3 *Business Combinations*. As a result, the Board is currently conducting maintenance projects, including one on the definition of a business, to develop narrow-scope amendments to improve these Standards. The Board is also carrying out a research project on Goodwill and Impairment.

The Board has begun its post-implementation review of IFRS 13 *Fair Value Measurement*. In addition, the Board will soon begin a post-implementation review of IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities*. These three Standards have been grouped together for review as they all relate to aspects of consolidation.

Post-implementation review of IFRS 5

Although post-implementation reviews are required only for new Standards, the Board can conduct a post-implementation review on any Standard when circumstances warrant this. The Board recognises the benefit of using the post-implementation review process to undertake broad-scope research about older Standards.

The Request for Views referred to practical issues relating to the consistent application of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. The Board indicated that it would consider adding a project to its work plan once it had considered the feedback from the 2015 Agenda Consultation. Respondents broadly supported such a project, some recommending that it should take the form of a post-implementation review. The Board agreed that the best way to start a review of these issues would be through a post-implementation review of IFRS 5. The Board intends to carry out that review after the forthcoming post-implementation reviews of IFRS 13 and of IFRS Standards 10–12.

Comprehensive review of the *IFRS for SMEs* Standard

The Board maintains the *IFRS for SMEs* Standard through periodic reviews. It carried out its first such review in 2012, which included consulting a wide range of stakeholders. The Board concluded that the Standard works well in practice, but it made some targeted improvements in 2015 by issuing *2015 Amendments to the IFRS for SMEs*. The Board expects to conduct its next comprehensive review of the Standard in 2019.

Other comments received

Other comments received on the Board's maintenance activities are discussed on page 37.

4. A more focused research programme

Key messages received

- Respondents expressed general support for an evidence-based approach to setting Standards.
- Some respondents did not understand the strategy, objectives and processes of the research programme or the relationship between research and the Board's other technical activities.
- The Board should focus on fewer research projects in order to make more timely progress.

Standard-setting and the role of research

The 2015 Agenda Consultation gave the Board an opportunity to clarify the role that research plays in its standard-setting activities.

The Board introduced the research programme after the 2011 Agenda Consultation, initially including 12 projects in that programme in 2012. Other projects were added subsequently in response to emerging issues. Because the Board focused on delivering its major standard-setting projects in the period from 2012 to 2014, many of those research projects did not start until 2014.

By the time the Board issued its Request for Views in 2015, the research programme consisted of 17 projects. At that time, the Board had completed its assessment of two projects—Foreign Currency Translation and High Inflation. It had tentatively decided to perform no further work as a result of the research carried out on those two projects and, in the Request for Views, it sought feedback on its decision to remove those projects from its research programme.

The development of the research programme to October 2016 is shown on page 25.

Feedback received on the research programme

The purpose of the research programme is to analyse possible financial reporting problems to provide the Board with sufficient evidence to decide whether to add a project to its standard-setting programme.

There was much support in the 2015 Agenda Consultation for the introduction of the research programme. Accordingly, the Board reaffirmed that, before undertaking a standard-setting project, it needs to gather sufficient evidence that an accounting problem exists, that the problem is sufficiently important that standard-setting is required and that a feasible solution can be found.

Responses indicated, however, that respondents were unclear about various aspects of the research programme. This was perhaps partly because it is still relatively new and stakeholders had not seen the complete life cycle of a research project. The Board discussed this feedback and noted the following points:

How the research programme works

- The objective of a research project is to gather evidence to establish whether standard-setting is required and to assist in defining the problem to be solved. In contrast, the objective of a standard-setting project is to develop or amend a Standard.
- Research is an essential part of the standard-setting process. Even if a topic is of high priority, the Board will begin by gathering evidence in a research project. Thus, the fact that a project is a research project does not mean that project has a low priority.
- When the Board reviews the evidence obtained from a research project, it decides whether to:
 - start a standard-setting project, intended to lead to proposals for a new Standard or to a major amendment to an existing Standard;
 - start a maintenance project to develop a narrow-scope amendment to an existing Standard;
 - perform further research on the same topic, or on a related topic; or
 - take no further action.
- Before adding to its work plan a standard-setting project to develop proposals either for a new Standard, or a major amendment to a Standard, the Board:
 - decides whether to seek public feedback on the evidence gathered. To seek such feedback it would normally issue a Discussion Paper. To avoid placing unnecessary burdens on stakeholders, the Board seeks such feedback only if it is needed.
 - consults the Advisory Council and the Accounting Standards Advisory Forum (ASAF).
- When the Board concludes that sufficient research has been completed to enable it to decide whether standard-setting is appropriate, the research project is finished.
 - If standard-setting is appropriate, the Board will then start a standard-setting project or a maintenance project.
 - If standard-setting is not appropriate, the research performed needs to be summarised concisely and retained in a way that makes it visible and readily retrievable by stakeholders.
- A post-implementation review may, itself, sometimes provide sufficient evidence for the Board to start a standard-setting project (for a major amendment) or a maintenance project (for a narrow-scope amendment). Alternatively, a post-implementation review may provide evidence that an issue needs to be considered but may not identify how best to address it. In the latter situation, the Board considers starting a research project to gather the evidence it would need to decide whether standard-setting activity is required.
- When the Board seeks evidence before adding a maintenance project to its work plan, it does not normally establish a formal research project for that purpose. This is because it does not generally require significant time and resources to collect that evidence, which is often collected initially to help the Interpretations Committee assess issues that have been submitted to it for consideration.

Focusing the research programme

Having identified its high priorities—to complete the remaining major standard-setting projects and projects that foster better communication, and to continue its development of implementation support—the Board then considered how best to allocate its remaining resources to research in other areas.

Respondents offered mixed views about how many research projects the Board should undertake at one time. Some respondents considered that at the end of 2015 there were too many research projects and that this stretched the resources of the Board and of its stakeholders. Others said that it was appropriate to run several projects simultaneously, and over various timescales. This, they suggested, could help the Board to be flexible and react quickly to re-prioritise projects if circumstances change.

Many respondents expressed regret at the lack of progress on the Board's wide range of research projects. The Board acknowledges that both Board members and stakeholders suffer frustration when projects do not progress in a timely manner. After considering the feedback received in the 2015 Agenda Consultation, the Board decided to focus its efforts on fewer active research projects. This will:

- (a) enable it to make faster progress on those projects and use its resources more efficiently; and
- (b) avoid placing an excessive burden on stakeholders, who would otherwise have to follow a wide range of research topics.

Selecting research projects

In March 2016, the Board considered the summary feedback received. In April and May 2016, the Board then considered, topic by topic, the feedback that had been received. This feedback was analysed in some 25 Agenda Papers discussed by the Board in those two meetings. All these papers are available on www.ifrs.org.

In selecting the research projects to include in a more focused research programme, the Board drew from a number of sources:

- (a) comment letters and responses to the online survey;
- (b) messages received in outreach; and
- (c) discussions with the Board's consultative groups, including the Advisory Council and ASAF.

In the Request for Views, the Board noted that in the past it had considered various factors in identifying important topics for research, including:

- (a) the importance of the matter to users of financial statements that are prepared using IFRS Standards;
- (b) the urgency of the problem to be resolved;
- (c) interactions with other current or possible projects;
- (d) the complexity and breadth of the problem to be resolved, and the feasibility of possible solutions;
- (e) the capacity of stakeholders to respond to proposals, both as individual proposals and across the work plan as a whole;
- (f) the overall balance of the work plan now and over the next five years; and
- (g) the availability of sufficient time from Board members and of staff resources.

Respondents to the Request for Views made additional suggestions for identifying important or urgent research projects, including prioritising those that would:

- (a) reinforce the principle-based nature of IFRS Standards and strengthen the underlying concepts;
- (b) strengthen preparers' ability to communicate information in the financial statements effectively and reinforce the relevance of IFRS Standards by:
 - (i) making transparent communication with users of financial statements more straightforward;
 - (ii) addressing gaps in IFRS Standards;
 - (iii) addressing emerging issues, changes in economic conditions, or evolving information needs of users of financial statements;
 - (iv) reducing complexity for users of financial statements or preparers; and
 - (v) increasing the understandability of the requirements and of the information produced.
- (c) support the application of IFRS Standards;
- (d) replace a Standard that was intended to be only a temporary solution; or
- (e) remedy a problem that has existed for some time.

The Board considered the additional suggestions received to be helpful and valid. Nevertheless, in selecting individual research projects, no single criterion among the many discussed by the Board was ranked consistently over any other. Some research projects, such as Primary Financial Statements, were selected because they are important to fostering better communication between preparers and users of financial statements. Other research projects, such as Financial Instruments with Characteristics of Equity, were selected because any resulting standard-setting could provide more robust conceptual principles to help resolve problems arising from gaps in IFRS Standards. Other topics were selected for the research programme because they have given rise to repeated requests for review in a number of different forums; an example is the linked topics of goodwill and impairment, which were investigated during the Post-implementation Review of IFRS 3 *Business Combinations*.

In the 2015 Agenda Consultation, the Board considered the following research topics:

Summary of Board decisions on individual projects					
Source	Project	On work plan		Not on work plan	
		Research programme	Maintenance	Research pipeline	No further work
		Pages 26–28	Page 19	Pages 30–33	Pages 29–30
Research topics listed in the 2015 Request for Views					
Identified in the 2012 Feedback Statement (December 2012)	Business Combinations under Common Control	✓			
	Discount Rates*	✓			
	Financial Instruments with Characteristics of Equity	✓			
	Share-based Payment*	✓			
	Equity Method			■	
	Extractive Activities			■	
	Pollutant Pricing Mechanisms			■	
	Provisions			■	
	Foreign Currency Translation				◆
	High Inflation				◆
	Income Taxes				◆
Post-employment Benefits				◆	
Emerging issues and post-implementation reviews (2012–2015)	Disclosure Initiative—Principles of Disclosure	✓			
	Dynamic Risk Management	✓			
	Goodwill and Impairment	✓			
	Primary Financial Statements	✓			
	Definition of a Business		✓		
Topics added as a result of the 2015 Agenda Consultation					
2015 Agenda Consultation (2016)	Variable and Contingent Consideration			■	
	High Inflation: Scope of IAS 29			■	
	Pension Benefits that Depend on Asset Returns			■	
	SMEs that are Subsidiaries			■	

This table does not show issues that emerged during the period 2012–2016 and that resulted in maintenance projects.

* These projects are substantially complete at October 2016.

As the above table shows, one research project, Definition of a Business, progressed to a standard-setting (maintenance) project in the period to 2015. Of the remaining 16 research projects, the Board decided to:

- (a) retain eight projects on the research programme, including two that were nearing completion, and develop them actively as a priority;
- (b) do no further work on four topics; and
- (c) transfer the remaining four projects to a newly created research pipeline.

The Board also added to its research pipeline a further four topics, identified in the 2015 Agenda Consultation.

Projects in the pipeline will not become active immediately. The Board will need to be satisfied that sufficient capacity has become available to enable stakeholders to participate actively in the process and to enable the Board to make timely progress on them. The Board expects, however, to carry out work on these pipeline projects before the next agenda consultation.

These categories of projects are discussed below.

Projects on the research programme

Research programme		
Research project	Description	Reasons for inclusion
Disclosure Initiative—Principles of Disclosure	See page 17, on better communication, for a description of this project.	This was the topic ranked highest by comment-letter respondents and the topic ranked second highest in the online survey. This topic was also very important to members of the Advisory Council and is a key topic in the Board’s work to improve communication in financial reporting.
Primary Financial Statements	See page 17, on better communication, for a description of this project.	This is a key project under the theme of better communication. It was of high importance to most comment-letter respondents and members of the Advisory Council. Top-rated by both investors and other types of respondents in the online survey.

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Research programme		
Research project	Description	Reasons for inclusion
Business Combinations under Common Control	Currently, IFRS Standards do not specify how entities should account for business combinations between entities under common control. These transactions may be significant to capital markets, for example when undertaken in anticipation of initial public offerings. The project is looking to identify which method(s) of accounting for such transactions would provide the most useful information.	Highly ranked by comment-letter respondents from a wide range of countries and in emerging market outreach. Important to regulators and to members of the Advisory Council.
Dynamic Risk Management	This project is assessing whether the Board should develop an approach to reporting dynamic risk management. Views on Discussion Paper: <i>Accounting for Dynamic Risk Management: A Portfolio Revaluation Approach to Macro Hedging</i> , published in 2014, were diverse.	When the Board finalised IFRS 9, it indicated that some aspects of hedge accounting in IAS 39 <i>Financial Instruments: Recognition and Measurement</i> would need to be replaced as they were inconsistent with the new requirements. Although there were varied views about the priority of this topic, it is of fundamental importance to those entities affected.
Financial Instruments with Characteristics of Equity	Some financial instruments have characteristics of both liabilities and equity. This project is investigating whether improvements can be made to how these instruments are classified, and to the presentation and disclosure requirements for such instruments.	A high priority to comment-letter respondents and to investors who took part in the online survey. Many respondents say this project is important to provide a more robust conceptual set of principles for distinguishing liabilities from equity. In their view, this would make it easier to resolve several long-standing issues and possible future issues.

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Research programme		
Research project	Description	Reasons for inclusion
Goodwill and Impairment	<p>This project is assessing:</p> <ul style="list-style-type: none"> (a) whether changes should be made to the impairment test for goodwill and other non-current, non-financial assets; (b) the relative merits of an impairment-only approach and an amortisation and impairment approach to goodwill; and (c) which other intangible assets should be separated from goodwill. 	<p>This project resulted from the post-implementation review of IFRS 3 <i>Business Combinations</i>. It was a high priority to comment-letter respondents and was identified as important in outreach across a range of geographies.</p>
Discount Rates	<p>This project is reviewing discount-rate requirements, in IFRS Standards, to identify whether there are any inconsistencies that the Board should consider addressing.</p>	<p>The Board has reviewed most of the research. The Board expects to decide by early 2017 whether any further work is needed, and whether to seek public feedback on the research.</p>
Share-based Payment	<p>The objective of this project was to identify the most common areas of complexity in accounting for share-based payment transactions, and their main causes, and to assess whether the Board should consider addressing them.</p>	<p>In May 2016, the Board completed its review of the research on share-based payment transactions and decided:</p> <ul style="list-style-type: none"> (a) to perform no further research on this topic; (b) that there is no need to seek feedback from stakeholders on that decision or on the staff's findings; and (c) that there is no need to publish a formal Research Paper or Discussion Paper summarising the research performed in this project. The work performed will be made visible, and retrievable by stakeholders.

Projects for which no further work is planned

For the four research projects listed below, the Board decided that:

- (a) no further work should be performed over the next five years (ie before the next agenda consultation);
- (b) there is no need to seek feedback from stakeholders on the decision to perform no more work or on the evidence gathered; and
- (c) there is no need to publish a formal Research Paper or Discussion Paper summarising the research performed in those projects.

However, many respondents stated that it is important that information about projects removed from the research programme remains available. The Board agrees that this is important. Evidence obtained in research projects will be summarised concisely and will be placed on the Board’s website in a format that makes it visible, and readily retrievable by stakeholders.

Concise summaries of the research performed in the four projects listed below are being prepared for posting on the Board’s website.

Projects for which no further work is planned	
Project	Comments
Foreign Currency Translation	Much of the research for this project was performed by the Korea Accounting Standards Board. In October 2014, the Board considered that research and decided no further action was needed. In the 2015 Agenda Consultation, the Board received no new information to prompt it to change that decision.
High Inflation	<p>The original project was prompted by requests from the Federación Argentina de Consejos Profesionales de Ciencias Económicas (the Argentinian standard-setter) and the Group of Latin American Standard Setters. It considered whether the Board should develop a proposal to:</p> <ul style="list-style-type: none"> (a) eliminate or reduce the cumulative inflation rate threshold currently included in IAS 29 <i>Financial Reporting in Hyperinflationary Economies</i> as one indicator of when hyperinflation exists; and (b) modify the procedures for reporting the adjustments resulting from restating the financial statements. <p>In April 2015 the Board considered the output of this research project and decided tentatively to take no further action. In May 2016, after considering feedback from the 2015 Agenda Consultation and from a discussion with ASAF, the Board:</p> <ul style="list-style-type: none"> (a) confirmed its decision to remove this project from its research programme; and (b) decided to add to its research pipeline a project to assess whether it would be feasible to extend the scope of IAS 29 to include economies with high inflation. (See page 32.)

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Projects for which no further work is planned	
Project	Comments
Income Taxes	<p>In May 2016, the Board considered the research performed in this project and the feedback received in the 2015 Agenda Consultation. The Board decided that:</p> <ul style="list-style-type: none">(a) it would not pursue a fundamental review of the income taxes Standard; and(b) no narrow-scope amendments are worth pursuing. <p>The Board also noted that it may be worth developing some educational material, especially to explain the nature of the information provided by the ‘temporary difference’ approach used in accounting for deferred tax.</p>
Post-employment Benefits (including Pensions)	<p>In the light of the research performed and the responses received in the 2015 Agenda Consultation, the Board decided that there was no evidence of problems that were sufficiently widespread and significant to require a comprehensive review of IAS 19 <i>Employee Benefits</i>. Accordingly, the Board removed this project from its research programme.</p> <p>The research performed, together with previous work done by the Board and by the Interpretations Committee, has shown that there is currently an inconsistency in the measurement of pension benefits that depend on asset returns. For those benefits, the estimates of cash flows are inconsistent with the discount rate. Following the 2015 Agenda Consultation, the Board added to its research pipeline a project to consider whether it would be feasible to eliminate that inconsistency. (See page 32.)</p>

Projects in the newly created research pipeline

The Board decided to create a research pipeline of future research projects, which will not start immediately but on which it expects to carry out work before the next agenda consultation—ie by 2021. These projects are on topics that are sufficiently important to justify research in the next five years. They fall into two categories:

- (a) projects, such as those on provisions and on the equity method of accounting, for which the timing depends on progress in another project; and
- (b) other projects that are of lower priority than the projects selected for the active work plan.

Four existing research projects were transferred to the research pipeline. The Board narrowed the scope of one of those projects to cover only extractive activities, without including a broader review of intangible assets and of research and development (R&D). The Board also added four new projects to the research pipeline.

As at October 2016, the following future projects are in the Board’s research pipeline:

Research pipeline	
Project	Comments
Equity Method	A number of queries on equity accounting and its interaction with the accounting for other ways of holding interests in other entities have been raised with the Interpretations Committee. The Board thinks that it will be able to consider this topic most effectively and efficiently after it has assessed feedback from the forthcoming Post-implementation Review of IFRS 11 <i>Joint Arrangements</i> .
Extractive Activities	<p>Before the 2015 Agenda Consultation, the research programme included a project on intangible assets, R&D, and extractive activities. The Board has done no work on any of these topics in recent years, except for some work in the current research project on Goodwill and Impairment.</p> <p>Extractive activities are important globally and are particularly significant in some jurisdictions. IFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i> was intended to be a temporary Standard and provides a number of exemptions from other IFRS Standards that would otherwise apply. A permanent solution will be required for reporting these activities.</p> <p>After considering the feedback in the 2015 Agenda Consultation and the growing debate about the financial reporting implications of climate change and other environmental issues, the Board included a project on extractive activities in the research pipeline.</p> <p>At the same time, the Board narrowed the scope of this pipeline project to remove any reference to intangible assets and R&D. In the Board's view:</p> <ul style="list-style-type: none"> (a) any attempt to address recognition and measurement of intangible assets and R&D would require significant resources, with very uncertain prospects for any significant improvement in financial reporting. (b) because of the wide range of intangible assets, any attempt to improve disclosures would also require significant resources. The Board is not aware of suggestions for either wide-ranging or targeted disclosure improvements that would produce significant benefits. (c) the Board can work on extractive activities more effectively and more efficiently if it does not try to address intangible assets (and R&D) at the same time.

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Research pipeline	
Project	Comments
Pollutant Pricing Mechanisms	Pollutant pricing mechanisms (such as emissions trading schemes) attempt to reduce the risk that human activity will lead to climate change that has adverse effects. An analysis of the common economic characteristics of various such mechanisms has highlighted issues that are being considered in the project to revise the <i>Conceptual Framework</i> . Further research will consider the implications of the revised <i>Conceptual Framework</i> when it is closer to finalisation.
Provisions	Initial research on a review of IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> is now largely complete. The remaining step is to consider the implications on this project of the project to revise the <i>Conceptual Framework</i> when those revisions are closer to finalisation.
Variable and Contingent Consideration	<p>Not previously on the Board's research programme, this cross-cutting topic was raised in the 2015 Agenda Consultation and has arisen when the Interpretations Committee and the Board discussed several earlier topics.</p> <p>When work has been carried out on this project, it may also be appropriate to consider a related topic mentioned by some respondents to the 2015 Agenda Consultation: risk-sharing and collaborative arrangements.</p>
High Inflation: Scope of IAS 29	The Board intends to assess whether it would be feasible to extend the scope of IAS 29 <i>Financial Reporting in Hyperinflationary Economies</i> to cover economies subject to high inflation, rather than just hyperinflation, without amending other requirements of IAS 29. The Board plans no further work on any other aspect of IAS 29.
Pension Benefits that Depend on Asset Returns	<p>The Board intends to assess whether it is feasible to eliminate an inconsistency that currently exists between the cash flows included in the measurement of pension benefits that depend on asset returns and the discount rate.</p> <p>The Board plans no other work on IAS 19.</p>
SMEs that are Subsidiaries	The Board intends to assess whether it is feasible to permit subsidiaries that are small and medium-sized enterprises (SMEs) to use the recognition and measurement requirements in IFRS Standards and the disclosure requirements in the <i>IFRS for SMEs</i> Standard.

When the Board considers when to add a research project from the pipeline to its research programme of active research projects, it will need to consider various factors, including:

- (a) the urgency of the problem;
- (b) the extent and complexity of the research needed;
- (c) the likely time commitment for stakeholders;
- (d) the overall balance of the active work plan;
- (e) interactions with other current or future projects;
- (f) the availability of appropriate staff and sufficient Board time to carry out the research project over an appropriate timescale, without diverting resources from other projects; and
- (g) the most efficient time to carry out the work.

Because it is not feasible to forecast those factors in detail, the Board has not set an order of priority for individual projects within its research pipeline.

Topics suggested by respondents, but not added to the work plan

The Board received a number of suggestions for additional topics that some respondents said should be added to the work plan. A limited number of respondents proposed each suggestion. The Board discussed these suggestions in April and May 2016, and decided not to include any of these topics in the work plan or research pipeline.

The Agenda Papers discussed at these meetings are available on the Board's website:

<http://www.ifrs.org/Current-Projects/IASB-Projects/IASB-agenda-consultation/2015-agenda-consultation/Pages/Board-review-of-research-topics.aspx>

Research programme to 2021

The Board intends to monitor its research activities on a regular basis. Following its July 2016 discussions on the 2015 Agenda Consultation (Agenda Paper 24), the Board revised the format of its work plan to include milestones for research projects, as well as for standard-setting projects, in order to make the monitoring of progress easier for all its projects. (See page 39.)

On the basis of information available now, the Board does not expect to carry out significant research work by 2021 on topics not already on its active research programme and not included within its research pipeline. Nevertheless, the research pipeline is not fixed for the next five years. If circumstances change—for example if significant new issues emerge—the Board may need to add other research projects to its active research programme or research pipeline, or to make other changes to its research priorities.

Frequency of agenda consultation

The *Due Process Handbook* that applies to the Board and to the Interpretations Committee previously required the Board to carry out a public agenda consultation every three years. In its Request for Views the Board proposed extending that interval to five years.

Accounting firms and accountancy bodies generally favoured the extension. The majority of investors also supported the proposal. Preparers and regulators reported mixed views. However, a significant number of standard-setters, particularly those in Asia and Europe, opposed extending the interval.

Respondents who opposed the extension were concerned that a five-year interval might not allow the Board to react to emerging issues or other changes in circumstances. The Board notes, however, that the main purpose of an agenda consultation is to provide the Board with public feedback that helps it to reassess periodically the focus and overall balance of its work plan. Its purpose is not to seek public feedback on decisions to add or remove individual topics from its work plan, or reprioritise projects on the work plan, as and when circumstances change. The *Due Process Handbook* does not require the Board to carry out an agenda consultation before making changes to its work plan.

The Board reviews its work plan regularly. The Board will consult the Advisory Council if the Board needs to consider making a significant change to the balance and composition of its work plan. The Board will also seek input from ASAF and other standard-setters.

Respondents in favour of extending the interval said the agenda consultation process:

- (a) was burdensome for stakeholders;
- (b) consumed significant Board resources and was disruptive to the Board's activities;
- (c) led to changes in priorities, which are inefficient if they occur too often;
- (d) caused uncertainty about the Board's activities and strategy until it was completed; and
- (e) caused unnecessary delay to some projects because some project-specific decisions had been delayed while the 2015 Agenda Consultation was in progress.

In the light of the feedback received, in June 2016, the *Due Process Handbook* was amended to require the Board to undertake a public consultation on its work plan at least every five years.

Other feedback

Balance and scope of the Board’s activities

Comments received / questions posed	Our response
<p>Some investors put greater emphasis than other respondents on wider corporate reporting issues and extending the Board’s activities to include topics such as human and intellectual capital, climate change and reporting for entities listed on an unregulated market. A number of environmental groups also said that reporting on climate change was an issue of growing importance. Some respondents to the Trustees’ Strategic Review also suggested that the Board should widen its activities.</p>	<p>As requested by the Trustees in January 2016, the Board has now allocated some modest resources to monitoring wider corporate reporting issues, including the implications of climate change for corporate reporting. This will enable the Board to take a somewhat more active role in this area.</p> <p>Some implications of climate change are within the scope of active projects or pipeline research projects, such as those on Provisions, Extractive Activities and Pollutant Pricing Mechanisms. The Board did not add to its work plan a broad project on all aspects of climate change. The Board has not identified at this stage any other financial reporting implications of climate change that it believes are likely to require standard-setting over the next five years.</p>
<p>The Trustees’ Strategic Review asked whether the Board should extend its remit beyond its current focus to encompass not-for-profit bodies.</p>	<p>The Trustees concluded that the Board should not expand its remit at this time, but recommended that the Board should be involved in any initiatives or working groups on this topic.</p>
<p>The Trustees said in their Request for Views that they did not intend, as part of their review, to expand the scope of the Board’s work to encompass financial reporting standards for the public sector. A large majority of respondents to the Trustees’ Request for Views agreed with this view.</p>	<p>The Trustees have reaffirmed the view they expressed in their Request for Views, but the Board will continue to liaise with the International Public Sector Accounting Standards Board.</p>

Research programme

Comments received	Our response
<p>In June 2015, the Board adopted a distinction between assessment stage research projects and development stage research projects. This distinction was an attempt to communicate more clearly where research projects are in their lifecycle.</p> <p>Some found the distinction between the assessment and development stages confusing.</p>	<p>The Board needs to consider two sets of questions in all research projects:</p> <ul style="list-style-type: none"> (a) assessment—does a financial reporting problem exist, and is that problem significant enough for standard-setting to be needed? (b) development—can a feasible and appropriate solution be developed? <p>However, it is not always necessary to consider them in separate stages in strict sequence. Accordingly, the work plan no longer identifies assessment and development stages.</p>
<p>A number of respondents suggested that issues identified in post-implementation reviews should be addressed on a more timely basis.</p>	<p>When the Board undertakes a project as a result of a post-implementation review, the Board assesses its priority and timing in the same way as for any other project. On occasion, this may mean that such a project does not progress while other projects have a higher priority.</p>

Application support and maintenance of IFRS Standards

Comments received	Our response
<p>A number of respondents noted that issues submitted to the Interpretations Committee provide useful information in identifying topics to be considered more widely by the Board.</p>	<p>In setting its priorities, the Board considered the unresolved issues submitted to the Interpretations Committee, together with responses received to the 2015 Agenda Consultation.</p> <p>Going forward, the Board has the ability to add projects to its work plan, as it considers necessary, to address emerging issues.</p>
<p>Many respondents said the level of activity on narrow-scope amendments had led to excessive change. Many respondents suggested that the Board should be cautious in making narrow-scope amendments, particularly when a number of issues have been identified regarding a particular topic or Standard. In that case, a wider review of the topic or Standard by the Board may be needed.</p> <p>Many respondents also said that any additional guidance provided should clarify principles rather than introduce complex rules that might have unintended consequences.</p>	<p>The Board agrees that it should be cautious in proposing narrow-scope amendments to ensure that such amendments do not create new issues. The Board will continue to apply an evidence-based approach to identifying the need for change before proposing any change, including narrow-scope amendments.</p>

Level and pace of change

Comments received	Our response
<p>A few respondents suggested the Board should group together narrow-scope amendments to Standards, both when proposing change and when finalising change, in order to reduce the burden on respondents to proposals and on those applying the final changes.</p>	<p>For both Exposure Drafts and final amendments, the Board will try to publish narrow-scope amendments together, rather than at different times.</p>

Other messages

A number of topics of a more strategic nature were raised in the 2015 Agenda Consultation and were addressed more comprehensively in the Trustees’ Strategic Review:

Comments received	Our response
<p>The Board received very few comments on the IFRS Taxonomy. A few investors who responded to the online survey said that work on the IFRS Taxonomy was one way of maintaining the relevance of IFRS Standards.</p> <p>The majority of those who responded to the Trustees’ Request for Views on the IFRS Taxonomy agreed with the Trustees’ strategy.</p>	<p>The Trustees have said that the Board needs to own the digital representation of its Standards, with the objective of ensuring that the IFRS Taxonomy can be used effectively and is fit for purpose. In order to achieve this, the Board has taken steps to integrate its work on the IFRS Taxonomy with its standard-setting activities.</p>
<p>Maintaining convergence of Standards that are already converged with US Generally Accepted Accounting Principles was important for many respondents. Other respondents said that there should be less focus on convergence and greater focus on developing IFRS Standards that meet the needs of the Board’s own stakeholders.</p> <p>Some respondents suggested that convergence should be extended to include future work streams undertaken by the Board and the Financial Accounting Standards Board (FASB).</p> <p>The FASB is currently consulting on its future work plan.</p>	<p>The Trustees’ Strategic Review identified work on maintaining convergence as a strategic goal. It also recommended that the Board take into consideration the work streams of the FASB when determining its own work plan and seek feedback from the ASAF, of which the FASB is a member. In accordance with the Trustees’ recommendation, the Trustees, IASB members and staff will continue to maintain open communication channels with their counterparts.</p> <p>IASB members will monitor the outcome of the FASB’s agenda consultation to assess whether to make adjustments to the IASB work plan.</p>
<p>Respondents were of the view that a critical factor in making implementation more consistent and less burdensome, and in fostering consistent application, is producing high-quality, easily understood and well drafted Standards, which are based on clear principles. A few respondents requested that the Board should consider how it can improve the quality of its drafting when finalising new Standards, or amendments to Standards, in order to minimise the likelihood of any subsequent amendment.</p>	<p>The Board has a process in place that supports its objective of producing high-quality, understandable and well drafted Standards. In the past year, quality control procedures relating to the finalisation of narrow-scope amendments have been enhanced and discussed with the Trustees’ Due Process Oversight Committee. The careful and considered approach to finalising IFRS 16 has created a model that can be applied to other Standards. An area of further focus will be monitoring quality control procedures for narrow-scope amendments.</p>
<p>Several respondents emphasised the importance of using plain English in Standards.</p>	<p>The Board tries to make the language used in Standards as clear and simple as possible. For Exposure Drafts, the Board will consider seeking specific input on whether terms used are easy to understand and translate.</p>

Work plan at 20 October 2016

The *IASB Work Plan Guide* is available on the Board's website. In the work plan below, DP refers to Discussion Paper and ED to Exposure Draft.

Active projects	Current activity	Next major milestone		
		Within 3 months	Within 6 months	After 6 months
Research projects				
Disclosure Initiative: Principles of Disclosure	Drafting		Publish DP	
Primary Financial Statements	Analysis	Decide Project Scope		
Business Combinations under Common Control	Analysis			Publish DP
Dynamic Risk Management	Analysis			Publish DP
Financial Instruments with Characteristics of Equity	Analysis			Publish DP
Goodwill and Impairment	Analysis			Decide Project Direction
Discount Rates	Analysis		Publish Research Summary	
Share-based Payment	Drafting	Publish Research Summary		
Standard-setting and related projects				
Conceptual Framework	Analysis			Issue Conceptual Framework
Disclosure Initiative: Materiality Practice Statement	Analysis	Decide Project Direction		
Insurance Contracts	Drafting		Issue IFRS Standard (Expected March)	
Rate-regulated Activities	Analysis			Publish DP

To allow Board members to focus on their review of the forthcoming IFRS Standard on insurance contracts, the Principles of Disclosure Discussion Paper has been rescheduled from December 2016 to the first half of 2017. Publication dates of other documents also remain subject to change.

Insurance Contracts

The timing of the forthcoming IFRS Standard on insurance contracts will be reviewed later in 2016 if necessary, after completing field tests and an external review of the current draft.

IFRS for SMEs Standard

The Board plans to start its next comprehensive review of the *IFRS for SMEs* Standard in 2019.

Maintenance of IFRS Standards

	Current activity	Next major milestone		
		Within 3 months	Within 6 months	After 6 months
Narrow-scope amendments and IFRIC Interpretations				
Changes in Accounting Policies and Estimates (Proposed amendments to IAS 8)	Drafting		Publish ED	
Clarifications to IFRS 8 arising from the Post-implementation Review	Drafting		Publish ED	
Classification of Liabilities (Proposed amendments to IAS 1)	Analysis			Issue IFRS Amendment
Definition of a Business and Accounting for Previously Held Interests (Proposed amendments to IFRS 3 and IFRS 11)	Public Consultation		Decide Project Direction	
Foreign Currency Transactions and Advance Consideration (IFRIC Interpretation)	Drafting	Issue IFRIC Interpretation (Expected December)		
Property, Plant and Equipment: Proceeds before Intended Use (Proposed amendments to IAS 16)	Drafting			Publish ED
Remeasurement at a Plan Amendment, Curtailment or Settlement / Availability of a Refund of a Surplus from a Defined Benefit Plan (Proposed amendments to IAS 19 and IFRIC 14)	Analysis	Decide Project Direction		
Transfers of Investment Property (Amendments to IAS 40)	Drafting	Issue IFRS Amendment (Expected December)		
Uncertainty over Income Tax Treatments (IFRIC Interpretation)	Analysis			Issue IFRIC Interpretation
Annual Improvements 2014–2016	Drafting	Issue IFRS Amendment (Expected December)		
Annual Improvements 2015–2017	Drafting	Publish ED (Expected January)		
IFRS Taxonomy				
Proposed IFRS Taxonomy Update on Amendments to IFRS 4	Public Consultation	Publish Update (Expected December)		
Proposed IFRS Taxonomy Update on Insurance Contracts	Analysis		Publish Proposed Update (Expected March)	
Common Practice—Agriculture, Leisure and Retail	Drafting	Publish Proposed Update (Expected November)		
Common Practice—Banks	Drafting	Publish Proposed Update (Expected November)		
Post-implementation reviews				
PIR of IFRS 13 <i>Fair Value Measurement</i>	Analysis	Decide Project Direction		
PIR of IFRS Standards 10–12, relating to consolidated financial statements and joint arrangements				Initiate PIR

Post-implementation reviews

The Board also plans to conduct a PIR of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* in due course.

Respondents

2° Investing Initiative (2°ii)

Accounting Methodological Center
[Бухгалтерский Методологический центр]

Accounting Standards Board (AcSB) [Canada]

Accounting Standards Board of Japan (ASBJ)
[企業会計基準委員会]

Accounting Standards Committee of Germany (ASCG)
[Deutsches Rechnungslegungs Standards Committee (DRSC)]

Accounting Standards Council Singapore (ASC)

Allianz

Altaf Noor Ali Chartered Accountants
[انابساحم مروشنم محل عرون فاطل]

Asian-Oceanian Standard-Setters Group (AOSSG)

Association for Financial Markets in Europe (AFME)

Association Française de la Gestion Financière (AFG)
[French Asset Management Association]

association française des investisseurs institutionnels (af2i) [French association of institutional investors]

Association of Chartered Certified Accountants (ACCA)

Association pour la participation des entreprises françaises à l'harmonisation comptable internationale (ACTEO) [Association for the participation of French businesses in convergence of accounting standards]/ Association française des entreprises privées (AFEP) [French association of large companies]/ Mouvement des Entreprises de France (MEDEF) [Movement of French Enterprises]

Australian Accounting Standards Board (AASB)

Austrian Financial Reporting and Auditing Committee (AFRAC) [Beirat für Rechnungslegung und Abschlussprüfung]

Autorité des normes comptables (ANC) [French accounting standards authority]

Basel Committee on Banking Supervision

BDO IFR Advisory

BlackRock

BusinessEurope

California Public Employees' Retirement System (CalPERS)

Canadian Bankers Association (CBA)

Canadian Securities Administrators (CSA)

CFA Institute

Changqing Liu

CFA Society United Kingdom (CFA UK)

China Accounting Standards Committee (CASC)
[中国会计准则委员会]

Comitê de Pronunciamentos Contábeis (CPC)
[Brazilian Committee for Accounting Pronouncements]

Commissie voor Boekhoudkundige Normen (CBN) – Commission Des Normes Comptables (CNC) [Belgian Accounting Standards Board]

Committee for Mineral Reserves International Reporting Standards (CRIRSCO)

Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera (CINIF)
[Mexican Board for Research and Development of Financial Reporting Standards]

Cornwall and Isles of Scilly Local Nature Partnership (CIOSLNP)

CPA Australia

Crowe Horwath International

Deloitte Touche Tohmatsu

Die Deutsche Kreditwirtschaft [The German Banking Industry Committee]

Denise Silvia Ferreira Juvenal

Embraear

Ernst & Young (EY) Global

Eumedion [Corporate Governance Forum]

European Accounting Association (EAA)

European Banking Authority (EBA)

European Financial Reporting Advisory Group (EFRAG)

European Securities and Markets Authority (ESMA)

Fédération Bancaire Française (FBF) [French Banking Federation]

Federation of European Accountants [Fédération des Experts-comptables Européens (FEE)]

Financial Executives International (FEI) Canada

Financial Reporting Council (FRC) [UK]

Financial Reporting Standards Council (FRSC) [South Africa]

FirstRand

Gesamtverband der Deutschen Versicherungswirtschaft (GDV) [German Insurance Association]

Grant Thornton International

Respondents *continued*

Group of 100 [Australia]

Group of Latin American Accounting Standard Setters (GLASS) [Grupo Latinoamericano de Emisores de Normas de Información Financiera (GLENIF)]

Heads of Treasuries Accounting and Reporting Advisory Committee (HoTARAC) [Australia]

Hong Kong Institute of Certified Public Accountants (HKICPA) [香港會計師公會]

ICAS

IFRS Interpretations Committee

Institut der Wirtschaftsprüfer in Deutschland (IDW) [Institute of Public Auditors in Germany]

Institute of International Finance (IIF)

Institute of Management Accountants (IMA)

Institute of Public Accountants (IPA) [Australia]

Institute of Singapore Chartered Accountants (ISCA)

Insurance Europe

International Actuarial Association (IAA)

International Association of Insurance Supervisors (IAIS)

International Energy Accounting Forum (IEAF)

International Organization of Securities Commissions (IOSCO)

International Swaps and Derivatives Association (ISDA)

Japanese Bankers Association (JBA) [全国銀行協会]
Keidanren [Japan Business Federation]

Korea Accounting Standards Board (KASB) [회계기준위원회]

Korean Institute of Certified Public Accountants (KICPA) [한국공인회계사회]

KPMG IFRG

La Société Française des Analystes Financiers (SFAF) [The French Society of Financial Analysts]

Malaysian Accounting Standards Board (MASB) [Lembaga Piawaian Perakaunan Malaysia]

Mazars

Ministerio de Economía y Competitividad [Spanish Ministry of Economy and Competitiveness]

New Zealand Accounting Standards Board (NZASB)

Norsk RegnskapsStiftelse [Norwegian Accounting Standards Board (NASB)]

Organismo Italiano di Contabilità (OIC) [The Italian Standard Setter]

Pan African Federation of Accountants (PAFA)

PricewaterhouseCoopers (PwC)

Raad voor de Jaarverslaggeving [Dutch Accounting Standards Board (DASB)]

Real Estate Equities Securitization Alliance (REESA)

Repsol

RSM International

Sanofi

Sarasin & Partners

Securities and Exchange Board of India (SEBI) [भारतीय प्रतभित और वनिमिय बोर्ड]

Shell International [London]

Svenskt Naringsliv [Confederation of Swedish Enterprise]

SwissHoldings [Federation of Industrial and Service Groups in Switzerland]

Syngenta International

Temasek Holdings

The Hong Kong Association of Banks (HKAB) [香港銀行公會]

The 100 Group

The Association of Investment Companies (AIC)

The Chartered Institute of Public Finance and Accountancy (CIPFA)

The Corporate Reporting Users' Forum (CRUF) [Global]

The Institute of Chartered Accountants in England and Wales (ICAEW)

The Institute of Chartered Accountants of India (ICAI) [भारतीय सनदी लेखाकार संस्थान]

The Investment Association

The Japanese Institute of Certified Public Accountants (JICPA) [日本公認会計士協会]

The Life Insurance Association of Japan (LIAJ) [生命保險協会]

The Linde Group

The Malaysian Institute of Certified Public Accountants (MICPA) [Institut Akauntan Awam Bertauliah Malaysia]

The Quoted Companies Alliance (QCA)

The Securities Analysts Association of Japan (SAAJ)
[日本証券アナリスト協会]

The South African Institute of Chartered Accountants
(SAICA)

The Swedish Financial Reporting Board [Rådet för
finansiell rapportering]

Unilever

Union of the Electricity Industry (EURELECTRIC)

United Nations Environment Programme (UNEP)

United Nations Framework Convention on Climate
Change (UNFCCC)

UPM-Kymmene Corporation

Vereinigung zur Mitwirkung an der Entwicklung des
Bilanzrechts für Familiengesellschaften (VMEBF)
[Association for Participation in the Development of
Accounting Regulations for Family-owned Entities]

Warwick Manufacturing Group, University of Warwick
(WMG)



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30 Cannon Street | London EC4M 6XH | United Kingdom
Telephone: +44 (0)20 7246 6410 | Fax: +44 (0)20 7246 6411
Email: info@ifrs.org | Web: www.ifrs.org

Publications Department
Telephone: +44 (0)20 7332 2730 | Fax: +44 (0)20 7332 2749
Email: publications@ifrs.org