

DPOC monthly report December 2019

Dear DPOC Members,

The Board will meet this week. We draw your attention to the following papers:

- Agenda Paper 12A: Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets) – Effective date and due process;
- Agenda Paper 12B: Annual Improvements to IFRS Standards 2018–2020 – Effective date and due process;
- Agenda Paper 26: Accounting policies and accounting estimates (Amendments to IAS 8) – Transition, effective date and due process; and
- Agenda Paper 30A: Comprehensive review of the IFRS for SMEs® Standard – Development of the Draft Request for Information and permission to publish.

Agenda Paper 12A: Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets) - Effective date and due process

At its September 2019 meeting, the Board decided to finalise the Exposure Draft of a narrow-scope amendment to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The amendment specifies that when assessing whether a contract is onerous, the cost of fulfilling a contract comprises the costs that relate directly to the contract.

At its December 2019 meeting, the Board will review the steps it has taken in developing the amendment and will be asked to confirm that it has complied with the applicable due process requirements. The Board plans to issue the amendment in the second quarter of 2020.

Agenda Paper 12B: Annual Improvements to IFRS Standards 2018–2020 – Effective date and due process

The Annual Improvements process provides a mechanism for dealing efficiently with a collection of minor amendments to IFRS Standards. At its November 2019 meeting, the Board decided to finalise the four amendments proposed in the May 2019 Exposure Draft, with one modification.

At its December 2019 meeting, the Board will review the steps it has taken in developing the amendments and will be asked to confirm that it has complied with the applicable due process requirements. The Board plans to issue the amendments in the second quarter of 2020.

Agenda Paper 26: Accounting policies and accounting estimates (Amendments to IAS 8) – Transition, effective date and due process

At its October 2019 meeting, the Board decided to finalise the Exposure Draft of proposed amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, with some modifications. The amendments aim to help entities distinguish accounting policies from accounting estimates.

At its December 2019 meeting, the Board will review the steps it has taken in developing the amendments and will be asked to confirm that it has complied with the applicable due process requirements. The Board plans to issue the amendments in the first half of 2020.

Agenda Paper 30A: Comprehensive review of the IFRS for SMEs® Standard – Development of the Draft Request for Information and permission to publish

At its October 2019 meeting the Board completed its deliberations of the first phase of its 2019 Comprehensive Review of the IFRS for SMEs Standard. The Board has decided that on conclusion of this phase of the Review, it should publish a Request for Information (RFI) to seek views on whether and how the *IFRS for SMEs* Standard should be aligned with IFRS Standards.

At its December 2019 meeting the Board will be asked for permission to publish the RFI. The staff recommend a 180-day comment period for the RFI, which is expected to be published in the first quarter of 2020.

All papers discussed above are attached for you information.