



30 Cannon Street, London EC4M 6XH, United Kingdom
Tel: +44 (0)20 7246 6410 Fax: +44 (0)20 7246 6411
E-mail: iasb@iasb.org Website: www.iasb.org

**International
Accounting Standards
Board**

This document is provided as a convenience to observers at IASB meetings, to assist them in following the Board's discussion. It does not represent an official position of the IASB. Board positions are set out in Standards.

These notes are based on the staff papers prepared for the IASB. Paragraph numbers correspond to paragraph numbers used in the IASB papers. However, because these notes are less detailed, some paragraph numbers are not used.

INFORMATION FOR OBSERVERS

Board Meeting: 17 June 2008, London

Subject: Technical Plan (Agenda paper 3)

INTRODUCTION

1. The work plan proposed in the attached technical plan papers [papers omitted from observer note] covers all projects (with the exception of impairment and intangible assets) that are on the active agenda and the research agenda of the IASB.
2. The purpose of the work plan is to focus the agenda, and thereby the work of the IASB board and staff. We have a goal. Achieving the goal will be a challenge.
3. The Directors and staff at the IASB, FASB and other standard setters have invested a considerable amount of time in developing the work plan over the past two months. All participants in that process have questioned whether a particular project plan is the best way to achieve the objective, and whether the timetable is realistic. We have all found the process helpful in gaining a clearer understanding of what we are looking to achieve, and the approach we are going to take. Now it is the turn of board members.

Projects on the MoU

4. Some, but not all, of the projects on the Board's agenda are included in the MoU between the IASB and FASB. As a reminder (for observers), a small group comprising a board member and a director from each board developed recommendations on MoU projects consistent with two assumptions:
 - For capital markets not yet adopting IFRS, the target date of mandatory adoption is no later than 2013.
 - A 'quiet period' of at least a year before that target date is provided.

5. The Boards discussed the recommendations developed by the small group at the April joint board meeting.
6. One objective of the boards is to avoid the possibility that a company adopting IFRS in 2013 would undergo two changes in a relatively short period – the first change being the adoption of IFRS and the second change being a major revision of an IFRS standard. Thus, work completed in 2011 should be designed to **allow** early adoption by those who plan to adopt IFRS for the first time in 2011, but to not **require** adoption until 2013; and would then remain in place for several years; with any changes to IFRS during the 3-year period after 2011 being modest.
7. Achieving a mid-2011 completion goal requires revisions to the scope and objectives of at least some projects. The extent of those revisions will become apparent in the work plan. Finally, the Boards also need to consider whether the changes that we can reasonably expect to achieve by 2011 are a sufficient improvement in financial reporting to justify imposing the changes on users and preparers of financial statements.
8. We note that both Boards have received and will be discussing the same technical plan papers in respect of joint projects.

Contents of this package

9. Included in this package are:
 - An updated draft version of the IASB Work Plan (separate file, Attachment 1); [omitted from observer note]
 - A projection of Board meetings (page 9); [omitted from observer note]
 - Project plans prepared by project managers on each project (starting at page 10); [omitted from observer note]
 - The IFRIC technical plan (separate file, Attachment 2); [omitted from observer note]
 - The Gantt chart on projects (separate file, Attachment 3). [omitted from observer note]
10. We have asked the staff to review this material and compare it with the Board calendar of upcoming drafts. That calendar will be updated, and the Gantt chart revised, as necessary.
11. We would also like to bring the attention of the Board to the layout of the draft Work Plan. The Work Plan is important as it communicates in summary the forward plans of the Board. The layout has been simplified following suggestions received from various parties. Projects are now categorised as either part of the IASB Active agenda or Research agenda. All projects are that included in the MoU or that are being conducted with the FASB are also footnoted. The draft Work Plan will be finalised following the discussions at this meeting, and published shortly thereafter. Likewise for each project page on the IASB website.

12. The Directors also intend to issue one or two attachments before the board discussion. For example, one is likely to summarise additional staff resources identified in the project plans. It is not intended to discuss these attachments in any detail at the meeting, but we believe they may help board members gain an overall picture of the projected work plan and focus on particular aspects of the projected work plan.

How we intend to run the Board session

13. We need a more structured approach to the board discussion of the technical plan than has been previously necessary. Reasons for this include the fact that a number of the lead staff members we have asked to be available are not based in London, and we cannot ask them to be available for 3+ hours.

14. Therefore we will address each project plan, but we will have a running order so that staff (both in London and elsewhere) have some idea when their project is likely to be discussed. Because of restricted availability of some staff who are not based in London, that running order will not be the same as the order in which the project plans are set out in this paper. However, the staff will guide the board to each project plan at the appropriate time.

15. As in previous meetings, we have asked all technical staff based in London to be available for the tech plan meeting. However, because of seating constraints, we have asked IASB staff to be available in the Boardroom only for the part of the meeting that discusses their project (previously all IASB staff have been present for the entire discussion). We do not expect the project teams to make individual reports, but they will be available to answer questions.

Suggestions for additional work

Disclosure project

16. The FASB has received a request from its Investors Technical Advisory Committee (ITAC) to begin a high-priority project to develop a principles-based disclosure standard that would replace some, perhaps many, but certainly not all disclosure requirements in individual standards. The ITAC also requests the introduction of specific requirements for the structure and organisation of the notes to the financial statements; these requirements would be considerably more specific than those in IAS 1 *Presentation of Financial Statements*. The FASB plans to consider this request in the coming weeks, and would like to know whether the IASB might have any interest in such a project.

17. A project to rationalise some of the existing disclosures may have some merit, but the key question is whether we should allocate staff and Board time over the next three years. We would appreciate some initial feedback from Board members on the following questions:

- If the FASB adds this project to its agenda, is it important for the IASB to join in?

- If resource constraints are a concern, should we consider restricting any IASB involvement in the early stages to monitoring any FASB project?

IFRS 2 Share-based payment

18. In November 2007, as the Board was finalising an amendment to IFRS 2 (published in January 2008 as *Vesting Conditions and Cancellations*), the Board directed the staff to set up a small research group of staff and Board advisers to examine critical IFRS 2 issues, potential convergence between IFRS 2 and SFAS 123(R), and possible options for improving and simplifying the IFRS. *IASB Update* for November 2007 noted that, if the research group concludes that there is a need for the Board to add a project to its agenda, the staff will bring an agenda proposal to the Board in June/July 2008.
19. The staff has not carried out detailed research on these issues, but has collated some practice questions that have arisen (a summary is available from Jenny Lee, if Board members wish). In view of the pressures on the Board's agenda, the directors recommend that the staff:
 - carry out no further research at this stage into possible improvements to IFRS 2.
 - consider at some future time whether a post-implementation review of IFRS 2 is needed, to be conducted, if at all, after June 2011.
20. The IASB and FASB have received a petition to review and repeal IFRS 2 and SFAS123(R). The staff will provide a separate report to Board members on that petition.