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**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: January 2009, London

**Project: Technical Plan: IASB Work Plan – Director Comments
(Agenda Paper 8)**

General comments

1. In June 2008 we changed our approach to the technical planning processes. At the time we recognised that delivering the projects on the agenda requires a coordinated approach to planning. We knew when we started this process that the timetable was demanding.
2. Since the June tech plan we have added several unplanned projects to the active agenda in response to the global financial crisis. These project have led to exposure drafts proposing:
 - revised and enhanced disclosures in IFRS-7 (October 2008);
 - amendments to IFRIC 9 and IAS 39 in relation to embedded derivatives (December 2008);
 - amendments to IFRS 7 in relation to investments in debt instrument (December 2008);

In addition, we made revisions to the reclassification requirements in IAS 39 in October 2008. We also committed staff to the credit crisis roundtables and the

expert advisory panel (in relation to measuring the fair value of financial instruments when markets are no longer active).

3. Despite the significant drain on staff and board time caused by these unplanned activities the effect on other projects has not been as great as might be expected. There has, however, been slippage and three projects are at risk of not meeting the 30 June 2011 target.
4. This paper provides our comments on the work plan under the following headings:
 - Global financial crisis related projects
 - Projects at risk
 - Conceptual Framework
 - Other changes to the work plan

Global financial crisis related projects

5. In addition to the amendments noted above, we have three major projects that are part of our response to the global financial crisis.

Consolidation (including improved accounting for off balance sheet items)

6. We published an exposure draft *Consolidated Financial Statements* on 18 December 2008. This was within the quarter planned.

Derecognition

7. The derecognition timetable is ambitious with publication of an exposure draft scheduled for the end of this quarter, or the beginning of the second quarter, this year. The pressure on the timetable has increased as a result of the staff being asked to develop two approaches for the exposure draft.

Fair value measurement guidance

8. As a result of the agenda of the G20's Action Plan to Implement Principles for Reform, published on 15 November 2008, the fair value measurement project plan has been accelerated. We plan to publish an exposure draft of an IFRS on fair value measurement guidance by the end of this quarter.
9. Due to the acceleration of the project, the round-tables being held on the credit crisis and the expert advisory panel activities, the staff now expects to hold the fair value measurement round-table meetings during the comment period. Previously, we had expected to hold these meetings prior to publishing an exposure draft.

Roundtables

10. All three of these projects have public roundtables programmed into their due-process steps. The consolidation and derecognition projects are related and our assessment is that a combined roundtable after the consolidations comment letters have been analysed and after potential respondents have had the opportunity to review the derecognition proposals would be appropriate. The timing is likely to be late April or May. This is also about the time we expect to hold the roundtables on FVM. Any roundtables held outside of London could be arranged so that the combined consolidation-derecognition roundtables and the FVM roundtables are held over a two day period (or on the same day). This would reduce the amount of time required of Board members and staff. Based on our observations of recent roundtables, we think that many of the participants would attend both roundtables. Holding the roundtables together would therefore benefit those participants.

Projects at risk

11. In June 2008 we identified two projects as having particularly tight timetables—revenue recognition and financial statement presentation. As we begin 2009 that list has grown to three.

Revenue recognition

12. The discussion paper *Preliminary Views on Revenue Recognition in Contracts with Customers* was published on 19 December 2008. Although publication was within the quarter anticipated, the project timetable has come under more pressure. The IFRS is planned for publication in the second quarter of 2011, leaving no room for slack. The project team had planned to start discussing measurement of rights with the boards in November. This has been deferred to February because drafting the DP has consumed significantly more staff time than planned.
13. The team is developing its plans for outreach and how they can make up the time lost. Ideally the team will identify ways to build some slack into the timetable.

Financial statement presentation

14. The discussion paper *Preliminary Views on Financial Statement Presentation* was published in mid October. This was over a month later than scheduled. Despite this slippage the overall timetable has not been affected. There is no margin, however, with the IFRS scheduled for publication in June 2011.

Leases

15. The plan in June was to publish the leases DP in November 2008. This did not happen. The FASB requested that the staff undertake some work on lessor accounting and its application to subleases before publication of the DP. The boards will discuss these matters in January.
16. If no further meetings are required after January it may still be possible to publish the DP in February or March. We have already slipped nearly five months from the June timetable.
17. The revised timetable has the IFRS scheduled for publication in June 2011. The assessment of the project team is that any delay in publication of the DP beyond March or any significant increase in the scope of the project will push publication beyond June 2011.

Conceptual Framework

18. The conceptual framework currently has four active phases.

Phase A: Objective and Qualitative Characteristics of Financial Reporting

19. This phase remains on schedule. However, for the October 2008 tech plan, the staff highlighted that some constituents, particularly IASB constituents, would strongly discourage the boards from finalising the framework without resolving other issues to be dealt with in later parts of the framework (eg boundaries of financial reporting). Based on discussions with constituents and comment letters that we have received, this issue has been a recurring one. Consequently, the boards may need to revisit their tentative decision of finalising the framework on a piecemeal basis. The staff will bring proposals on how to deal with this issue in March 2009.

Phase B: Elements and Recognition

20. The timetable has been modified. The staff is delaying proposals on other elements from December 2008 until the third quarter of 2009 and delaying the liability-equity decisions until the third quarter of 2009. Those changes are expected to result in publishing a discussion paper in middle of 2010 instead of in October 2009. The liability-equity work is being undertaken by the FI: Equity team.
21. Work has also begun on recognition criteria, including whether meeting the definition of an element is sufficient at the conceptual level to justify recognition or whether other conceptual criteria are needed. The CF team is also monitoring the

work on derecognition of financial instruments. If possible, they will use the work in that project as a basis for a future derecognition discussion.

Phase C: Measurement

22. Although the approach presented to the boards is a new approach to the measurement chapter of the conceptual framework the staff remain confident that they can complete a draft discussion paper by the third quarter of 2009.

Phase D: Reporting Entity

23. There is no change from the tech plan that was presented in October 2008.

Other changes to the work plan

24. There are some smaller changes to the work plan since October.
25. The *Emissions Trading Schemes* timetable has been pushed back to allow the staff to address some cross-cutting issues. The staff are conscious of the need now for a standard in Europe and soon for various other countries including the US, Australia and New Zealand. We are reviewing ways to ensure that we can help the Board make decisions that will bring the project to a satisfactory conclusion.
26. Publication of the *Management Commentary* exposure draft has been delayed until the second quarter of this year.
27. The staff of the *IFRS for Private Entities* project had expected to have a complete first draft in January. However, this has been pushed back a month because the redeliberations have taken longer than planned.
28. The *Insurance* project timetable has been pushed back for a few months to allow the staff to run education sessions for the FASB. Publication of a final standard is, nevertheless, still scheduled for May 2011.
29. Publication of the final *Joint Arrangements* IFRS has been pushed back to the middle of the year to minimise any differences between that standard and the consolidation standard.

Research Agenda

30. The discussion paper on *Extractive Activities* was planned for publication in December 2008. The revised publication date is March 2009.