Topic **The Work Plan**

Overview

1. This report provides an overview of the projects on our technical agenda, including progress on outreach activities, round table meetings, staffing and setting the future agenda. Agenda paper 1a is the summary work plan for our technical agenda.

2. The G20 has urged the IASB and the US FASB to increase efforts to achieve a single set of high quality, global accounting standards, within the context of an independent standard-setting process, and complete the boards' convergence programme by 2011. Responding to concerns from many interested parties on their ability to provide high quality input to the large number of standards simultaneously published for public comment, in June we published, with the FASB, a modified work plan. That plan was designed:

   - to give priority to the major projects in our Memorandum of Understanding (MoU) to permit a sharper focus on the issues and projects for which we believe that the need for improvement of both IFRSs and US GAAP is the most urgent; and

   - to phase the publication of exposure drafts and related consultations (such as public round-table meetings) to enable the broad-based and effective stakeholder participation in due process that is critically important to the quality of our standards.

3. The modified strategy retains the target completion date of June 2011 or earlier for the projects for which we believe that the need for improvement in financial reporting is the most urgent.

4. The IASB has four major projects for which we are targeting completion by 30 June 2011—*Financial Instruments*, *Revenue Recognition*, *Leases* and *Insurance Contracts*. We have recently finalised improvements in relation to *Derecognition* disclosures and will finalise the new requirements for *Consolidations* (including addressing structured investment vehicles) by the end of 2010, ensuring that IFRSs and US GAAP have substantially converged. We will also finalise in the first quarter of 2011 the requirements for how to measure *Fair Value* (including when markets are illiquid).

5. The IASB has responsibilities to a broad range of stakeholders and jurisdictions. We therefore have other technical projects on our agenda, including many that are being undertaken jointly with the FASB. These include, among others, *Financial Statement Presentation*, defining *Equity*, and *Emissions Trading Schemes*. The IASB is also completing improvements in relation to the accounting for *Joint Ventures* and *Pensions*, which will also reduce differences between IFRSs and US GAAP.

Financial Instruments

6. Our efforts to improve our requirements and reach a common solution have been complicated by differing imperatives that pushed our respective development timetables out of alignment. In particular, responding to requests from ECOFIN, the G20 Leaders and others, the IASB has been replacing its financial instrument requirements in a phased approach, whereas the FASB developed a single proposal. Those differing development timetables and other factors have impeded the ability of the boards to publish joint proposals on a number of important technical issues, resulting in different approaches being exposed for public comment.

7. Our strategy for addressing those differences remains the same—each board has been publishing its proposals while also soliciting comment on those of the other board, as a way of giving interested parties the opportunity to compare and

assess the relative merits of both boards' proposals. We will consider the comment letters and other feedback that we each receive, in an effort to reconcile our differences in ways that foster improvement and convergence.

Replacement of IAS 39

8. In order to undertake a comprehensive review of the accounting for financial instruments, while dealing with the most urgent issues in a timely manner, the IASB split the project to replace IAS 39 into three main phases—classification and measurement, impairment accounting (provisioning) and hedge accounting.

Classification and measurement

9. In July 2009 the IASB published for public comment an exposure draft proposing improvements to the classification and measurement of financial instruments.

10. In November 2009 the IASB finalised new requirements on the classification and measurement of financial assets by issuing IFRS 9 *Financial Instruments*. Although the mandatory application date for IFRS 9 is 1 January 2013, it was made available for earlier application from when it was published. Those who wished to use it could therefore do so for their 2009 year-end financial statements.

11. Many jurisdictions have already made IFRS 9 available for use by their registrants, including Australia, Hong Kong, Japan (for those applying IFRSs from 2010) and New Zealand. The European Commission decided not to accelerate endorsement of IFRS 9 but instead to defer making a decision regarding endorsement until all of the phases of the project have been completed.

12. In publishing the first phase of IFRS 9, the IASB chose to defer consideration of the accounting for financial liabilities, limiting the standard to financial assets. Most respondents to the exposure draft preceding IFRS 9 told us that the accounting for financial liabilities has worked well except for one issue—the

volatility in net income that arises when an entity's own debt is measured at fair value. In such cases, changes in the creditworthiness of the issuer causes net income volatility (the 'own credit issue'). There is particular concern that as an entity's credit quality deteriorates, the entity reports accounting gains, which is counter-intuitive. Responding to feedback received, the IASB decided not to undertake a comprehensive overhaul of the accounting for financial liabilities, but instead to make a targeted change to address only the own credit issue.

13. In May 2010 we published an exposure draft proposing a solution to the own credit issue. The comment period ended in mid-July and the Board has considered the feedback received from comment letter respondents and from our outreach activities. The Board has begun its formal voting procedures to finalise the new requirements, which we expect to issue by the end of 2010.

Impairment

14. Following our publication of a *Request for Information* in June 2009, in November 2009 we published an exposure draft proposing a move to a more forward-looking expected loss impairment/provisioning model. Recognising the significant practical challenges of moving to such a model the exposure draft had an extended comment period of eight months, ending on 30 June 2010. During the comment period an Expert Advisory Panel (EAP) was formed comprising credit and systems experts. The mandate of the EAP was to provide the Board with feedback on the operational issues associated with introducing an expected loss impairment model. Prudential regulators were active participants in the EAP.

15. We have received broad support for a move to an expected loss impairment model. However, a number of operational challenges were identified with the model proposed in the exposure draft, and the EAP has suggested solutions for many of these issues. The Board has been working through the issues identified by comment letter respondents, by the EAP and in our extensive outreach

programme, conscious that, given the comments received, any modified proposals are likely to need to be published as another exposure document.

16. The Board has held education sessions with the FASB as preparation for the joint discussions that can begin after the FASB's round-table meetings are completed in October. We have special joint board sessions planned for November to focus on the impairment model. We have also maintained an active dialogue with prudential supervisors—including having regular meetings with the Accounting Task Force of the Basel Committee on Banking Supervision and enhanced dialogue with senior banking regulators.

17. Even if another exposure document is required, the objective remains to complete this phase by 30 June 2011.

Hedge accounting

18. The Board is currently deliberating the hedge accounting phase of the project. In response to the overwhelming feedback received from the outreach activities that have been conducted, the Board is undertaking a comprehensive review of the hedge accounting requirements. The exposure draft will address hedge accounting both for financial and for non-financial exposures, so, while this phase is of interest to financial institutions, of all the phases of this project, for non-financial corporate stakeholders this is the most relevant. The Board expects to publish the exposure draft on hedge accounting in the fourth quarter of 2010 and aims to complete this phase by June 2011.

FASB exposure draft

19. In May 2010 the FASB published an exposure draft addressing the classification and measurement of financial instruments, impairment accounting and hedge accounting. The comment period ended on 30 September 2010 and the FASB will hold a series of round tables in October. The FASB's exposure draft proposes a much greater use of fair value measurement than IFRS 9 with almost all financial instruments on the balance sheet at fair value.

20. The IASB has encouraged its constituents to provide feedback to the FASB on its exposure draft. The boards will decide how to proceed after the FASB has decided whether to reaffirm the fair value measurement approach proposed in its exposure draft.

Balance sheet netting of derivatives and other financial instruments

21. In response to stakeholders' concerns (including those of the Basel Committee on Banking Supervision and the Financial Stability Board) regarding the comparability of entities using IFRSs and US GAAP, the IASB and FASB decided to expand the scope of the joint project on financial instruments to address the netting or offsetting of financial assets. This is the single largest source of difference between the balance sheets of financial institutions using US GAAP and those using IFRSs. A common solution would be of great assistance to regulators and other users of financial statements.

22. The boards have already begun their joint deliberations and are aiming to publish a joint exposure draft before the end of 2010.

Consolidation

23. In 2008, as part of our comprehensive review of off balance sheet activities, we published an exposure draft of a replacement of our consolidation requirements, which included a new definition of control of an entity that would apply to all entities and be more difficult to evade by structuring. The exposure draft also proposed enhanced disclosures about securitisation and investment vehicles (such as special purpose entities and structured investment vehicles) that an entity has sponsored or with which it has a special relationship, but does not control.

24. In June 2009 the FASB completed a project that amended and improved US GAAP to address issues in the consolidation of variable interest entities (and related disclosures) highlighted by the recent financial crisis. The IASB expects

to finalise and issue its new consolidation standard by the end of 2010 (including improved disclosures about structured entities). The standard is expected to result in the same consolidation decisions about structured entities by companies whether they are applying IFRSs or US GAAP. Differences will remain, however, in relation to what US GAAP refers to as voting interest entities; US GAAP has a legalistic approach to defining control whereas the new IFRS will have a broader definition of control.

25. On 29 September we posted on our website a staff draft of the new IFRS on consolidation. On 25 October the FASB is, in conjunction with the IASB, holding round-table meetings to consider that draft. The aim of the public meetings is to help the FASB decide whether it should publish an exposure draft based on our forthcoming IFRS, as a first step towards aligning the requirements for voting interest entities.

Derecognition

26. The IASB and FASB agreed that their near-term priority for derecognition should be on increasing the transparency and comparability of their standards by improving and aligning US GAAP and IFRS disclosure requirements for financial assets transferred to another entity.

27. Accordingly, we have brought forward our plans to finalise amendments designed to enhance the information available to investors to help them to understand better the risk exposures that an entity remains exposed to as a result of any continuing involvement with financial assets that have been derecognised. The amendments will also make it easier to assess whether an entity has undertaken transactions to achieve a particular accounting result close to the end of a financial period—so-called window dressing.

28. These new disclosure requirements, which were exposed in 2009, were published on 7 October 2010 and will apply to annual periods beginning on or after 1 July 2011.

29. The boards made this decision in the light of the recent FASB amendments that reduce the differences between IFRSs and US GAAP, and of the guidance the IASB received from national standard-setters on the largely favourable effects of the IFRS derecognition requirements during the financial crisis. The boards will conduct additional research and analysis, including a post-implementation review of the FASB's recently amended requirements, as a basis for assessing the nature and direction of any further efforts to improve or align IFRSs and US GAAP in relation to derecognition.

Fair value measurement

30. The objective of this project is to develop a common definition of fair value and common implementation guidance by the FASB and the IASB, such as guidance on measuring fair value when markets are illiquid. Achieving convergence of the definition of fair value is necessary to achieving full convergence of any standards that require a fair value measure. The IASB standard will not, and the FASB standard did not, introduce any new requirements about when to use fair value. The fair value standards are concerned only with how to measure fair value where it is required or permitted by other standards.

31. In June 2010 the FASB published an exposure draft proposing minor amendments to the wording of the US GAAP requirements and a new sensitivity disclosure. The IASB exposed a proposal to clarify that disclosure requirement. The boards are currently considering responses to those proposals so that they can issue final common standards in the first quarter of 2011. In August we published on our website a staff draft of the IFRS.

Other MoU projects

Revenue recognition

32. The IASB and FASB published a joint discussion paper in December 2008 that proposed a single revenue recognition model built on the principle that an entity should recognise revenue when it satisfies its performance obligations in a contract by transferring goods or services to a customer. That principle is similar to many existing requirements. However, the boards think that clarifying that principle and applying it consistently to all contracts with customers will improve the comparability and understandability of revenue for users of financial statements.

33. The boards published a joint exposure draft in June, with comments due on 22 October. Round-table meetings are planned for November. IASB and FASB staff have also been undertaking field visits to ensure that the proposals are implementable. We plan to complete the project in June 2011.

Leases

34. The boards included a leases project in the 2006 MoU because their highly similar standards are in significant need of improvement. The objective of this project is to develop common lease accounting requirements that would improve financial reporting by ensuring that all assets and liabilities arising from lease contracts are recognised in the statement of financial position. Lease obligations are widely considered a significant source of off balance sheet financing. The project will provide accounting standards for both a lessor and a lessee.

35. In August the boards published a joint exposure draft. The proposals, if implemented, would bring lease obligations and the related asset onto the balance sheet of lessees. The accounting for lessors is designed to ensure that an entity that retains significant risks or benefits of the leased asset would recognise that asset and an associated obligation to allow the lessee to use the asset. In other cases, ie when the significant risks or benefits of the leased asset are

transferred to the lessee, the lessor derecognises the portion of the asset that is transferred by the lease agreement.

36. The comment period ends on 15 December 2010. We have round-table meetings planned for December and January. We expect to complete the project by June 2011.

Insurance contracts

37. The IASB has had a major insurance contracts project on its agenda for many years. That project is important because IFRSs currently lack specific accounting requirements for insurance contracts. In 2007 the IASB published a discussion paper, *Preliminary Views on Insurance Contracts*. Since then we have been developing proposals on the basis of that discussion paper and in the light of comments received on it. In October 2008 the FASB added a project on insurance contracts to its agenda and the boards agreed to undertake it jointly.

38. We published an exposure draft *Insurance Contracts* on 30 July 2010. Because the FASB had not published a discussion paper, the FASB published our exposure draft, and alternative views, as a discussion document in September 2010. We have a meeting of the Insurance Working Group scheduled for November and begin our public round tables in December. One of the matters to be discussed is the interaction of the insurance proposals with IFRS 9.

39. The IASB expects to complete the project in June 2011.

Post-retirement benefits

40. In April 2010 the IASB published an exposure draft of proposed amendments that, like recent amendments of US GAAP, would improve reporting by eliminating provisions that permit off-balance-sheet reporting of post-employment benefit obligations. Our comment period has just closed and we expect to publish a revised standard in the first quarter of 2011.

Financial statement presentation

41. The FASB and IASB have been working together to establish a common standard that would improve how information is organised and presented in the financial statements. The IASB has implemented the decisions reached in the first phase of this project into IFRSs. The FASB has not yet implemented those improvements.

42. In 2008, the boards published a discussion paper in which they set out the principles for presenting financial statements. Through comment letters on the discussion paper, discussions with the boards' respective advisory councils, and other constituent outreach, preparers communicated to both boards their concerns about whether the benefits of the proposed changes would justify the expected implementation costs, which could be significant. Because this project will shape the presentation of financial information for many years to come, the boards decided in May to modify their strategies and work plan.

43. The boards decided to engage in additional outreach activities before finalising and publishing an exposure draft. The boards have been doing so and will consider that input later this year.

Liability/Equity

44. The existing IFRS and US GAAP requirements are similar in many respects but also differ in others, such as the accounting for convertible debt. Moreover, some aspects of the current IFRS and US GAAP requirements have been criticised for their complexity or inconsistency. In early 2010, the boards published an exposure draft of a proposed standard using existing IFRSs as a starting point. External stakeholders who reviewed a staff draft of that proposal raised concerns about the meaning, enforceability and internal consistency of some of the proposed requirements.

45. In the light of those concerns, the boards have decided that the best way forward is to either amend the requirements in IAS 32 *Financial Instruments:*

Presentation to address specific practice problems and pursue adopting the amended version in the United States, or to make targeted improvements to US GAAP and IFRS to increase convergence between the two sets of accounting standards. The boards have yet to reassess the likely timetable for this project.

Emissions trading schemes

46. Both boards understand the importance of emissions trading schemes as a mechanism to help manage carbon dioxide emissions. The financial reporting consequences of the many different allocation and trading systems will become increasingly important as more and more countries adopt them.

47. In May, the boards agreed that other MoU projects had a higher priority. The boards discussed the fundamental nature of trading credits in September and plan to discuss measurement in October. However, the boards think it unlikely that they will publish an exposure draft before the second half of 2011, with the aim of issuing converged standards in 2012.

Joint ventures

48. We decided to delay the finalisation of the IFRS *Joint Arrangements* by several months, until the end of the year. This will ensure that the wording is aligned with the new Consolidations IFRS. The new requirements for joint arrangements (which encompass joint ventures and joint operations) will remove significant differences between IFRS and US GAAP and will complete one of our narrower-scope MoU projects.

Other projects

Liabilities - IFRS to replace IAS 37 Provisions, Contingent Liabilities and Contingent Assets

49. In September, the Board considered a summary of comments received on the exposure draft *Measurement of Liabilities in IAS 37*. The comments we received reinforced those that we had received while interacting with respondents and other interested parties during the comment period. A wide range of concerns was expressed, including matters related to parts of the proposed replacement of IAS 37 that had not been re-exposed.

50. The Board decided to continue to work on the project because parts of IAS 37 are causing diversity in practice and need amendment. However, in the light of the concerns raised, the Board expressed a willingness to reconsider all of the matters raised by respondents and will continue to interact with them. Any proposal that results from this additional work will be exposed in its entirety for further comment. Although the Board wants to avoid unnecessary delay, other priorities, and the need to give proper consideration to the matters raised by respondents, mean that we are unlikely to be able to issue an exposure draft before the second half of 2011.

Management commentary

51. We plan to finalise an IFRS Practice Statement entitled M*anagement Commentary* before the end of this year. The Practice Statement is designed to assist those jurisdictions that do not have MD&A or other equivalent requirements. It will not be a mandatory part of IFRSs. Publication of the Practice Statement will complete a project started for us by the National Standard-setters of New Zealand, Canada, Germany and the UK.

Rate-regulated activities

52. In some jurisdictions that do not apply IFRSs, some rate-regulated activities (whereby the prices of particular services are regulated) are accounted for under

special accounting standards. There is no equivalent IFRS. We have been examining this issue, which is particularly important to Canada and the US, and published an exposure draft in July 2009. It became clear that opinion was divided and that we would not be able to resolve the matter quickly. In September this year the Board decided that our efforts should focus on developing an agenda proposal for consideration next year for our future agenda.

Improvements

53. We plan to publish the latest annual improvements exposure draft before the end of the year. We also have some smaller improvements (to IFRS 1, which deals with first-time adopters) that we are exposing separately because they do not meet the criteria for annual improvements.

54. We are also awaiting the outcome of the Trustees' proposals to make the criteria for annual improvements clearer. In the interim, we are assessing candidates for annual improvements against the proposed criteria because they are stricter than our current criteria.

Income taxes

55. The objective of this project is to resolve problems in practice under IAS 12 I*ncome Taxes*, without changing the fundamental approach under IAS 12 and preferably without increasing divergence with US GAAP. In fact, the project originally started as a convergence project with US GAAP. However, in the light of responses to an exposure draft published in 2009, the Board has narrowed the scope of the project. The Board has published a narrow-scope exposure draft to address a problem in countries with no capital gains tax. The Board is also looking at some other aspects of the standard, such as uncertain tax positions. The Board may consider a fundamental review of the accounting for income taxes after 2011.

Extractive activities (oil and gas exploration and mining)

56. In April this year we published a Discussion Paper prepared for us by National Standard-setters from Australia, Canada, South Africa and Norway. In October we expect to consider the comments received and we will prepare an agenda proposal for consideration next year for our future agenda.

Conceptual Framework

57. On 28 September we published two new chapters of the revised conceptual framework, addressing *Objectives* and *Qualitative Characteristics*. We are currently considering comments received on the draft *Reporting Entity* chapter. We hope to publish that chapter early next year.

58. We expect to publish a chapter on *Measurement* within the next six months.

Effective dates and transition

59. In October we will, with the FASB, begin our formal public consultation on ways by which we can reduce the costs of applying new requirements. Our consultation will focus on three areas:

    (a) the effective dates of new requirements—giving entities sufficient time to prepare and also considering whether entities prefer to deal with many changes at once or spread over two or more periods.

    (b) early adoption—do we allow early adoption?

    (c) transition—do we require entities to go back and apply the new accounting for the comparative periods they report (our normal approach) or should we allow more concessions, because of the larger than normal number of changes, to reduce the cost of the change?

60. The consultation will include a formal *Request for Views* as well as outreach meetings.

Due Process and Outreach

61. The G20 also asked us, within the framework of the independent accounting standard-setting process, to improve the involvement of stakeholders, including prudential regulators and emerging markets. In line with this request, the IASB has significantly increased its outreach and consultation activities with all stakeholders, including prudential regulators and emerging markets.

Enhanced dialogue

62. We have enhanced our existing technical dialogue with prudential supervisors and other market regulators. Meetings take place frequently with the Accounting Task Force of the Basel Committee on Banking Supervision, particularly in relation to the IASB's work on moving to an expected loss model and how this might interact with the Basel Committee's own work dealing with capital requirements. We are arranging for senior banking regulators to meet the IASB to discuss progress on the projects mentioned in this update that are of particular interest to banking regulators. We held a similar meeting in 2009.

Round-table meetings

63. We will hold public round-table meetings for each of the major projects once the comment periods have closed. In mid-September we announced our round-table schedule.

64. We are hosting public round-table meetings, with the FASB, in the following locations:

Project	Locations
Revenue	London, San Francisco, Norwalk, Kuala Lumpur
Leases	London, Chicago, Norwalk, Hong Kong
Insurance	London, Norwalk, Tokyo
Consolidations	Norwalk (this is a US-only consultation to help the FASB decide whether to publish an exposure draft based on the IASB's new IFRS).

Outreach

65. We have been undertaking a range of outreach and stakeholder communication activities to inform and educate, to explain and clarify our proposals and to provide opportunities for affected parties to discuss and debate them with us. These activities supplement our formal due process events such as round-table meetings.

66. Our outreach activities are designed to achieve a dialogue. These activities help stakeholders to understand better the implications of our proposals and the views of other interested parties through enhanced dialogue and listening to feedback. Among the activities that we carry out to inform interested parties and to supplement the formal comment letter process, are:

- project-specific email alerts (we have more than 100,000 registrants).
- live webcasts, with interactive question and answer sessions.
- podcast summaries of Board meetings (over 5,000 subscribers), and project-specific podcasts and webinars.
- individual meetings with organisations or representative bodies. Over the last three months we have held hundreds of face-to-face and telephone meetings with stakeholders to get a better understanding of their concerns so that we can develop our proposals further once the comment period has finished.

- the publication of *Investor Perspectives*—blog-style postings written for the investor community by our Board members who were previously analysts.
- online surveys targeted at the investor and analyst community.
- discussion forums, where we discuss projects that are open for comment. At the time of writing this report, completed and planned events in:

Location / hosting organisation	Date / time	Topics covered
Seoul, Korea (KASB)	Monday 9 August	General Update, Revenue Recognition, Leases
Seoul, Korea (KASB)	Tuesday 10 August	Insurance Contracts
Taipei, Taiwan (ARDF)	Wednesday 11 August	General Update, Revenue Recognition, Leases, Financial Statement Presentation
Taipei, Taiwan (ARDF)	Thursday 12 August	Insurance Contracts
Melbourne, Australia (AASB)	Thursday 26 August	General Update, Revenue Recognition, Leases, Consolidation
Hong Kong (HKICPA)	Thursday 2 September	General Update, Revenue Recognition, Leases
Sao Paulo, Brazil (CPC – Comite de Pronunciamentos Contabeis)	Thursday 2 September	General Update, Revenue Recognition, Leases, Extractive Industries
Brussels, Belgium (EFRAG)	Tuesday 28 September	General Update, Revenue Recognition, Leases, Financial Instruments: Update on FVO ED and Impairment redeliberations, and Hedge Accounting discussions
Singapore (Singapore ASC)	Monday 4 & Tuesday 5 October	General Update, Insurance Contracts, Revenue Recognition, Leases
Kuala Lumpur, Malaysia (MASB)	Thursday 7 & Friday 8 October	General Update, Revenue Recognition, Leases, Consolidation and Insurance Contracts
Paris, France (Autorité des Normes Comptables (ANC)	Monday 11 October	TBC
Oslo, Norway (Norwegian Accounting Standards Board)	Wednesday 13 October	General update, Revenue Recognition, Leases
Copenhagen, Denmark (Foreningen af Statsautoriserede Revisorer)	Thursday 14 October	General Update, Revenue Recognition, Leases

67. Most importantly, the IASB now routinely publishes feedback statements as companion documents to major standards. A feedback statement identifies the broad themes received during the consultation period, how the IASB responded to this feedback and its rationale for doing so. Copies of feedback statements are sent to all respondents to the consultation and are published on the IASB website.

68. Both boards are also undertaking a separate public consultation about effective dates and transition methods to ensure that we develop the most orderly and cost-effective means of implementing together the unusually large number of new reporting requirements planned for completion in 2011.

Regional forums and emerging markets

69. The IASB supports standard-setters around the world. Last month we hosted a two-day public meeting of World Standard-setters and participated in a National Standard-setters meeting. We also participate in meetings of the Asian-Oceanian Standard-Setters Group (AOSSG) and this year we have organised conferences in Canada, Japan and South Africa.

70. Many of these activities are designed to support emerging markets. We have a special group within the IFRS Advisory Council that focuses on emerging markets and we have also undertaken an extensive training programme in emerging markets, supported by the World Bank, for the *IFRS for SMEs*.

71. To provide greater support for emerging markets where English is not widely spoken as a second language, the IASB has increased its provision of materials in non-English languages.

Future agenda

72. Towards the end of this year we will publish a *Request for Views* on the future agenda of the IASB. This is part of the recently introduced public consultation every three years. We will be asking for input on the general balance of the

agenda and on candidate projects. The Board has already discussed the advice received from the IFRS Advisory Council and plans to incorporate that advice in the request for views.

73. A new web page has been created to help increase the visibility of this initiative. The web page describes the steps that we are taking and has a link to the Advisory Council report and to information about the agenda-setting criteria. The agenda-setting process was also discussed at the World Standard-setters Conference in September.

Staffing

74. During the current year we have had several changes in the technical team. Two Technical Associates (both from the US) completed their two-year terms with us. We are currently completing work permit processes for their replacements (also from the US) and we expect to have them join us in October.

75. We also saw one part-time Technical Principal (UK), an Assistant Technical Manager (Hong Kong / US) and two Technical Managers (US and Germany) return to industry. We welcomed three new Technical Managers (one from Portugal and two from Germany). We are also completing documentation for a (part-time) Technical Manager to support our SME work.

Practice fellows

76. Practice fellows are secondees from accounting firms. We have five core secondees on two-year contracts, from Deloitte, KPMG, PwC, E&Y and Mazaar. Over the last 18 months we have also made greater use of short-term secondments for specific projects (Business Combinations, Impairment and Hedging). We are in the process of securing two additional secondees for the Insurance Contracts project.

Visiting fellows

77. Visiting fellows are secondees from National Standard-setters, typically for two years. On 1 October our first European visiting fellow starts with the technical team. He will bring to seven the number of visiting fellows—there are currently four from Japan, and one each from Korea and China. We also have a visiting academic fellow from Brazil working in the education section.