

Project	Post Implementation Reviews
Topic	Plan for developing the framework for conducting post-implementation reviews

Objective

1. This paper seeks the Board's views and agreement on a plan for developing a framework for conducting post-implementation reviews (Appendix A).

Background

2. The IASB is committed to performing post-implementation reviews of all new IFRSs and major amendments. The Board first gave such a commitment when it issued IFRS 8 *Operating Segments* in November 2006.
3. The commitment to undertake such reviews was incorporated into the *Due Process Handbook for the International Accounting Standards Board* (the Handbook) in October 2008. This amendment to the Handbook established post-implementation reviews as part of the life-cycle of the Board's standard-setting process. It sets out the objectives, scope and timing of post-implementation reviews. An extract of the relevant paragraph for the Handbook (paragraph 53) is included in Appendix B.
4. The Handbook establishes that a post-implementation review is normally carried out two years after the new requirements have become mandatory and been implemented. IFRS 8, the first Standard for which the Board gave a commitment to review, was applicable for annual periods beginning on or after 1 January 2009. The first financial statements to include a second year of application of IFRS 8 will be those for the year ending 31 December 2010. Allowing for

This paper has been prepared by the technical staff of the IFRS Foundation for discussion at a public meeting of the IASB.

The views expressed in this paper are those of the staff preparing the paper. They do not purport to represent the views of any individual members of the IASB.

Comments made in relation to the application of an IFRS do not purport to be acceptable or unacceptable application of that IFRS—only the IFRS Interpretations Committee or the IASB can make such a determination.

The tentative decisions made by the IASB at its public meetings are reported in *IASB Update*. Official pronouncements of the IASB, including Discussion Papers, Exposure Drafts, IFRSs and Interpretations are published only after it has completed its full due process, including appropriate public consultation and formal voting procedures.

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different financial year ends for different entities, financial statements that include a second year of application of IFRS 8 will become available throughout 2011¹.

Developing a framework for conducting post-implementation reviews

5. The Handbook identifies the Board as being responsible for performing post-implementation reviews and sets out what should be subject to a post-implementation review and when, but does not provide detail on how such reviews should be conducted. We have been discussing and developing ideas for how to conduct post-implementation reviews with a small group of Board members. Our proposed approach is to develop a general framework for the performance of post-implementation reviews which can be tailored for each review according to the needs of the pronouncement being reviewed.
6. We think that the general framework will consider:
 - (a) sources of information;
 - (b) how that information will be used;
 - (c) the form of reporting, and other outputs from the post-implementation review;
 - (d) involvement of local organisations, such as National Standard-Setters; and
 - (e) the role of public consultation.
7. We propose to seek views from the IFRS Advisory Council, the IFRS Interpretations Committee and the group of National Standard-Setters on our initial ideas for the general framework. We also plan to ask for their views on the involvement of local organisations, such as National Standard-Setters, in the

¹ We propose to bring a paper to a future Board meeting, to discuss the timing of post-implementation reviews of other pronouncements.

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post-implementation review process. Appendix A sets out our proposed timeline for consulting with these groups.

8. We propose to bring the results of these consultations and the draft general framework to the Board for discussion in April.

Questions for the Board

Questions

1. Does the Board agree with the proposed plan set out in Appendix A for developing a general framework for post-implementation reviews?
2. What other comments and suggestions do Board members have on the staff's plan?

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Appendix A: Proposed plan for developing a general framework for post-implementation reviews

Date	Step
1 February 2011	Board discussion to confirm plans and timing to seek views from IFRS Advisory Council, IFRS Interpretations Committee and National Standard Setters
21/22 February 2011	IFRS Advisory Council discussion of staff's proposed general framework for post-implementation reviews
10/11 March 2011	IFRS Interpretations Committee discussion of staff's proposed general framework for post-implementation reviews
24/25 March 2011	National Standard-Setters' discussion of staff's proposed general framework for post-implementation reviews
April 2011	Board discussion and decision on the general framework for conducting post-implementation reviews
May 2011	Publish the general framework for conducting post-implementation reviews

Appendix B: Paragraph 53 of the Due Process Handbook for the International Accounting Standards Board (amended October 2008)

53 The IASB carries out a post-implementation review of each new IFRS or major amendment. This is normally carried out two years after the new requirements have become mandatory and been implemented. Such reviews are normally limited to important issues identified as contentious during the development of the pronouncement and consideration of any unexpected costs or implementation problems encountered. A review may also be prompted by:

- changes in the financial reporting environment and regulatory requirements
- comments made by the SAC, the IFRIC, standard-setters and constituents about the quality of the IFRS.

The review may lead to items being added to the IASB's agenda. The IASB may also continue informal consultations throughout the implementation of the IFRS or amendment.