

OBSERVER NOTE

IFRS FOUNDATION TRUSTEES
NEW YORK, 12-14 JULY 2011
AGENDA PAPER 2B

Memorandum

To: Trustees / Trustees Due Process Oversight Committee

From: Michael Stewart
IASB Director of Implementation Activities

Date: 1 July 2011

Re: Post-implementation review planning – Progress report

Objective

1. This paper provides an update of the Board's work in developing its plan for post-implementation reviews.

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 requirements, including the scope and timing of post-implementation reviews. An extract of the relevant paragraph for the Handbook (paragraph 53) is included in Appendix A.
4. At the March 2011 Trustees meeting we presented an overview of the Board's plans for conducting post-implementation reviews, including a draft framework for post-implementation reviews. We also presented a summary of the results of outreach we had conducted so far in consulting on those plans.

Outreach

5. Since March we have continued to gather feedback on our initial proposals for our approach to post-implementation reviews. This has included further feedback from national standard setters, and feedback from user groups.
6. This further feedback has confirmed what we heard from other groups earlier in the process.

Next steps

7. We are in the process of revising our initial proposals in response to the feedback we have received. The main points of revision are:
 - (a) To clarify the purpose of post-implementation reviews, to help stakeholders understand what we are expecting to achieve.
 - (b) To identify clearly how all stakeholders can participate in the post-implementation reviews. This also includes making clear how we think National-Standard Setters can participate.
 - (c) To clarify the expected outcomes from post-implementation reviews.
8. We expect to bring our revised plans to the Trustees meeting in October, and to start our first post-implementation review, of IFRS 8 in Q4 2011.

Questions

9. Do the Trustees have any questions or comments on this update?

Appendix A: Paragraph 53 of the *Due Process Handbook for the International Accounting Standards Board* (amended October 2008 and updated December 2010)

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 IFRS Advisory Council, the IFRS Interpretations Committee, 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.