

STAFF PAPER

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**Prepared for joint Capital Markets Advisory Committee and
Global Preparers Forum meeting**

Project	Agenda Consultation 2011		
Paper topic	Next steps		
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Purpose

1. This paper summarises the next steps the IASB will take in the development of its technical work programme. This paper provides background information for the discussion of narrow scope amendments in agenda paper 8.
2. This paper has the following attachments:
 - (a) Attachment 1: Feedback from users of financial statements (IASB staff paper from January 2012). That paper describes the feedback received from investors and analysts on the Request for Views *Agenda Consultation 2011*.
 - (b) Attachment 2: Comment letter summary (IASB staff paper from January 2012). That paper summarises the comment letters received on the Request for Views *Agenda Consultation 2011*.
 - (c) Attachment 3: Developing the IASB's technical programme (IASB staff paper from May 2012). That paper contains the project team's recommendations for how the Board should develop its work plan. The Board discussed those recommendations at its May 2012 meeting and the IFRS Advisory Council will discuss them at its meeting on 18 and 19 June.

Background

3. In July 2011 the IASB published a Request for Views asking for input on its future work programme. The Board received 248 comment letters. Fourteen of the letters were from users of financial statements (mainly user representative organisations).
4. In addition to seeking feedback in the form of comment letters, the IASB did extensive outreach. For example, the Board sought feedback from users of financial statements through an online survey and follow up conversations about their comment letter and survey responses.

Overview

5. At its May 2012 meeting, the IASB discussed its strategy for developing its technical work programme (see Attachment 3). The discussion was based on the feedback received in the comment letters, the online user survey and round-table meetings.
6. At the May meeting, the staff proposed changes to how the Board structures its technical work programme, with the main recommendation being the development of a broader research and development programme that supports a smaller and more focused standards-level programme.
7. The Board also considered recommended project-level priorities. The Board unanimously supported:
 - (a) the IASB hosting a public forum to assess strategies for improving the quality of financial reporting disclosures, within the existing disclosure requirements.
 - (b) giving priority to work on the Conceptual Framework project and that the main focus should be on elements of financial statements, measurement, presentation, disclosure and reporting entity.
 - (c) giving priority to:
 - i. developing standards-level proposals for potential amendments to IAS 41 *Agriculture* (in relation to bearer crops); rate-regulated activities; and the equity method in separate financial statements.
 - ii. re-commencing research on emissions trading schemes and business combinations under common control.

- iii. initiating a research programme, focusing initially on discount rates; the equity method of accounting; extractive activities/intangible assets/R&D; financial instruments with the characteristics of equity; foreign currency translation; non-financial liabilities; and financial reporting in high-inflation and hyperinflationary economies.
 - iv. establishing a consultative group to assist the IASB with matters related to Shariah law.
8. The proposals discussed in the May IASB meeting will be presented to the IFRS Advisory Council in June 2012 for further discussion. The staff will provide an oral update of that discussion at the CMAC-GPF meeting.