

## STAFF PAPER

18 February – 22 February 2013

## REG IASB Meeting

Project	Conceptual Framework		
Paper topic	Cover note		
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**Purpose of this meeting**

1. At this meeting, the IASB will discuss an initial draft of the Conceptual Framework discussion paper (DP). This paper describes:
  - (a) How we plan to conduct the discussion and the content of the papers;
  - (b) The status of the draft DP;
  - (c) The content of a number of additional papers;
  - (d) Next steps.

**Plans for the meeting and content of the papers**

2. At this meeting, we would like to discuss with the IASB the following sections of the Draft DP:
  - (a) Purpose and status of the Conceptual Framework;
  - (b) Elements of Financial Statements;
  - (c) Recognition and derecognition;
  - (d) Measurement;
3. In order to make the discussion more manageable, we have split these sections into the following papers:

<b>AP</b>	<b>Title</b>
3A	Draft discussion paper: Purpose and status of the Conceptual Framework
3B	Draft discussion paper: Elements: Definition of elements
3C	Draft discussion paper: Elements - Guidance to support the definition of a liability
3D	Draft discussion paper: Elements – Equity liability boundary
3E	Draft discussion paper: Recognition and derecognition
3F	Draft discussion paper: Measurement principles
3G	Draft discussion paper: Initial and subsequent measurement

4. Each paper includes:
  - (a) A high-level summary of the paper;
  - (b) A discussion of the issues including staff recommendations;
  - (c) Questions for you.
5. Your responses to the questions will form the basis of the preliminary views expressed in the DP.
6. We have not asked you questions on all aspects of the proposed concepts in the DP. We have tried to restrict the questions to only those issues that we see as particularly controversial or key to the discussion. However, if there are significant areas where you disagree with what we have written, please could you indicate it during the Board meeting (and if possible what alternatives you would support)?

### **Status of the draft**

7. This is a very early draft of what the staff would propose to include in the DP. In some areas the arguments are not fully developed and the discussion is more of an

outline of what we would like to include. In addition, because different authors have worked on different sections, the document does not yet have a consistent style.

8. Consequently, at this meeting, we are seeking comment on the key concepts in the document only. We are not at this stage seeking detailed comments on the drafting.
9. The following sections of the DP have not been included in the draft to be discussed at this meeting:
  - (a) **Introduction and invitation to comment** – you will have the opportunity to comment on this during the balloting process;
  - (b) **Reporting entity** – Agenda paper 3H sets out a staff proposal for dealing with the Reporting Entity issues;
  - (c) **Presentation (including the OCI question)** – We plan to discuss this at the March 2013 meeting;
  - (d) **Disclosures** – Because we would like to incorporate some of the discussion from the IASB’s Disclosure Forum in this section, this will be discussed at the March 2013 meeting;
  - (e) **Appendix** – We plan to include Chapter 1 *The objective of general purpose financial reporting* and Chapter 3 *The qualitative characteristics of useful financial information* as an appendix to the discussion paper. The introduction to the discussion paper will describe our approach to these chapters (ie that we do not plan to revise these chapters unless we need to do so in the light of our work on other chapters in order to create a complete and coherent framework).
10. In addition, some aspects of the following papers are incomplete:
  - (a) *AP 3C Draft discussion paper: Elements - Guidance to support the definition of a liability* - additional guidance on constructive obligations and obligations to stand aside will be added.
  - (b) *AP 3D Draft discussion paper: Elements – Equity liability boundary* - additional examples of the proposed approach will be added.

- (c) AP 3F *Draft discussion paper: Measurement principles* – a discussion of alternative measurement approaches and an appendix summarising existing measurements will be added.

We plan to complete these sections for the March 2013 meeting.

11. You should note that, although the chapters of the *Conceptual Framework* published in 2010 deal with financial reports, this discussion paper deals with financial statements only which are only one form of financial report. We have no plans to address any other forms of financial report in the current project.

### Additional papers for this meeting

12. In addition to the papers listed in paragraph 3 above, we plan to discuss with you the following papers:

AP	Title	Purpose
3H	Reporting Entity	Decision making
3I	Conceptual Framework: Feedback on survey and discussion forum	Educational
3J	ASBJ research on the use of OCI	Educational

### Next steps

13. Our aim is to produce a revised draft of the discussion paper for the April meeting. We plan to use the March meeting to discuss any major issues that you raise at this meeting, as well as the areas outlined in paragraphs 9 and 10.