

AGENDA PAPER

IFRS Foundation Trustees meeting – Due Process Oversight Committee

SYDNEY APRIL 2014 **Agenda ref 3D**

PRESENTERS IAN MACKINTOSH/DAVID LOWETH/ HUGH SHIELDS

AUTHOR ALAN TEIXEIRA

Effects analysis: update on the work of the Effects Analysis Consultative Group

Introduction

1. The purpose of this paper is to update the DPOC on the progress of the work of the Effects Analysis Consultative Group (EACG). The Committee last considered the work of the EACG at its meeting in October 2013 (Agenda Paper, AP 3D for that meeting refers). At Agenda Paper AP3E(i) is the most recent version of the draft report of the Effects Analysis Consultative Group. The draft is confidential and is not included in the public papers because the consultative group has not yet cleared it for release.
2. The consultative group has met in face-to-face meetings on 20 May 2013, 19 July 2103 and 18 November 2013 and by conference call on 7 November 2103.
3. We, ie the IASB, have been responsible for organising the meetings, which Ian Mackintosh chairs. I (Alan) am responsible for drafting the report.

The draft report

4. The draft report itself has evolved into a comprehensive document, over 80 pages in length.
5. This version was distributed to the consultative group earlier this month. I have had calls and face-to-face meetings with all except one member of the consultative group to discuss the latest draft. The remaining member expressed a preference for providing comments in writing.

6. The general feedback is that the structure and content are now close to the point where members are able to conclude that it reflects their views collectively. Nevertheless, I have received many helpful drafting and structuring suggestions as well as some substantive content matters.

7. The original brief from the Trustees was:

The Trustees believe that the organisation could benefit from receiving guidance in developing an agreed methodology for field testing and effects analyses. Consequently, the Trustees are recommending the establishment of a working group from the international community, chaired by the IASB, to develop an agreed methodology for field testing and effects analyses.

8. To be able to do this the consultative group found it necessary to first establish the purpose of field testing and effects analyses within the context of the IASB's standard-setting processes. It was also necessary to consider which effects the IASB should be responsible for assessing.

9. The consultative group also wanted the report to be helpful to the IASB in a practical sense. Rather than just describing a methodology the IASB should be able to use the report to help it build toolkits and develop processes for developing consultation and assessment plans that include fieldwork and for reporting effects. The latter half of the report should help with this step.

Next steps

10. We plan to present the report to the Trustees at its face-to-face meeting in July. After the report has been finalised we will share it with other standard-setters through the World Standard-setters Conference in September.

11. The timetable is:

Timing	Body	IFRS Taxonomy Due Process – Actions
7-11 April 2014	DPOC	Receive comments on the draft report.
April	EACG	Revisions and agreement on near-final draft.

Timing	Body	IFRS Taxonomy Due Process – Actions
May 2014	IASB	Administrative session to discuss the near-final draft.
9-10 June 2014	Advisory Council	Presentation of key messages.
Mid June	EACG	Finalisation of the report.
8-10 July 2014	DPOC	Receive the final report.
September 2014	World Standard Setters	Presentation of the final report, with an emphasis on the shared expectations of the IASB and national standard-setters.
October 2014	Advisory Council	Presentation of the final report.

Feedback from DPOC members

12. At this meeting we are seeking high-level feedback from DPOC members on the latest draft.
13. I suggest that you focus on the Background and Recommendations sections.
14. The principles section is designed to underpin the recommendations and the application sections underpin the principles. Although we welcome comments on any section, the Background and Recommendations convey the substantive messages.
15. Last time the DPOC commented on a draft (at the October 2013 meeting), members expressed some concerns about how the relationship and responsibilities of the IASB and prudential supervisors, and particularly the responsibilities of the Financial Stability Board were expressed. This may be an area for you to pay particular attention.