

August 2015

Request for Views

2015 Agenda Consultation

Comments to be received by 31 December 2015



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Foreword by Hans Hoogervorst, Chairman of the IASB

Help us shape financial reporting for the future

Setting priorities is an important part of our work. And to get it right, we need your input. That is why we are seeking your views on whether we have the right priorities for our work plan, and whether the projects we have identified are indeed the most pressing areas for improving International Financial Reporting Standards (IFRS).

The IASB's current work plan is split into three main categories, which reflect the different stages of the standard-setting process:

- research projects, which are designed to help us better diagnose problem areas in financial reporting, and to consider whether change is warranted before proceeding;
- standard-setting projects, in which we move forward with a project to deliver fundamental improvements to IFRS—most likely resulting in amendments to existing requirements or the introduction of entirely new requirements; and
- maintenance and implementation projects, in which we fine-tune IFRS to deal with practical problems or a lack of consistency in applying the Standards.

In particular, we want to hear your views on whether we have correctly identified the right issues, and whether we have struck the right balance between fundamental improvements to IFRS versus fine-tuning the Standards to keep them fit for purpose.

In parallel with this Agenda Consultation, the Trustees of the IFRS Foundation are also seeking input on the structure and effectiveness of the IFRS Foundation, including the IASB. You may want to provide input to the Trustees on those issues as well.

This is the second time that we have carried out an Agenda Consultation. Your responses to the first one, in 2011, gave us valuable input that helped us to shape the way in which we work and to prioritise our work plan. Now is your chance to have your say on our priorities until 2020 and to help shape financial reporting Standards for the world economy.

We look forward to receiving your comments.

A handwritten signature in black ink, appearing to read 'Hans Hoogervorst', written over a horizontal line.

Hans Hoogervorst
IASB Chairman

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REQUEST FOR VIEWS: 2015 AGENDA CONSULTATION

Introduction

- 1 The purpose of this consultation is to gather views from all those interested in financial reporting on:
 - (a) the strategic direction and balance of the work plan of the International Accounting Standards Board (IASB); and
 - (b) whether three years is the appropriate period between future Agenda Consultations.
- 2 This Request for Views is open for public comment until **31 December 2015**.

Background

- 3 The *Due Process Handbook* (Sections 4.3–4.5) of the IFRS Foundation (‘the Foundation’) requires the IASB to undertake a public consultation on its work plan every three years. The IASB started its first public consultation in 2011 and summarised the outcome in its *Feedback Statement: Agenda Consultation 2011* (the ‘2012 Feedback Statement’), which is available on the IASB’s website.¹

What period does this Agenda Consultation cover?

- 4 This Request for Views seeks input on the IASB’s priorities for its work plan (its technical agenda) from mid-2016 (when the IASB expects to complete this Agenda Consultation) until mid-2020 (when its next Agenda Consultation is due to be completed).

Separate review of structure and effectiveness

- 5 This Request for Views seeks input only on the work plan. It does not seek input on other activities of the IASB, such as education and content services, other implementation support, the IFRS Taxonomy, the impact of developments in technology and whether we are supporting adequately the consistent application of International Financial Reporting Standards (‘IFRS’).
- 6 Those other activities are being considered in a separate review of the Foundation’s structure and effectiveness by the Trustees of the Foundation. The Trustees issued a Request for Views *Trustees’ Review of Structure and Effectiveness: Issues for the Review* in July 2015, with a comment deadline of 30 November 2015.²
- 7 Some of the questions posed in that document relate to the relevance of IFRS and to the consistent application of IFRS. Those questions are pertinent to a discussion of the IASB’s work plan and are reproduced in Appendix B of this paper.

¹ <http://www.ifrs.org/Current-Projects/IASB-Projects/IASB-agenda-consultation/Pages/IASB-agenda-consultation-2011-2012.aspx>

² <http://go.ifrs.org/Review-of-Structure-and-Effectiveness>

Overview of this Request for Views

- 8 This Request for Views considers:
- (a) the IASB's approach to standard-setting informed by evidence (paragraphs 12–23);
 - (b) the IASB's work plan (paragraphs 24–55);
 - (c) questions on the IASB's work plan 2016–2020 (paragraph 56);
 - (d) the frequency of Agenda Consultations (paragraphs 57–59);
 - (e) the research programme as at 31 July 2015 (Appendix A); and
 - (f) questions from the Trustees' Review of Structure and Effectiveness (Appendix B).

How to comment

- 9 Comments should be submitted using one of the following methods:

Electronically (the IASB's preferred method)	Visit the 'Comment on a proposal' page, which can be found at: go.ifrs.org/comment
Email	Email comments can be sent to: commentletters@ifrs.org
Postal	IFRS Foundation 30 Cannon Street London EC4M 6XH United Kingdom

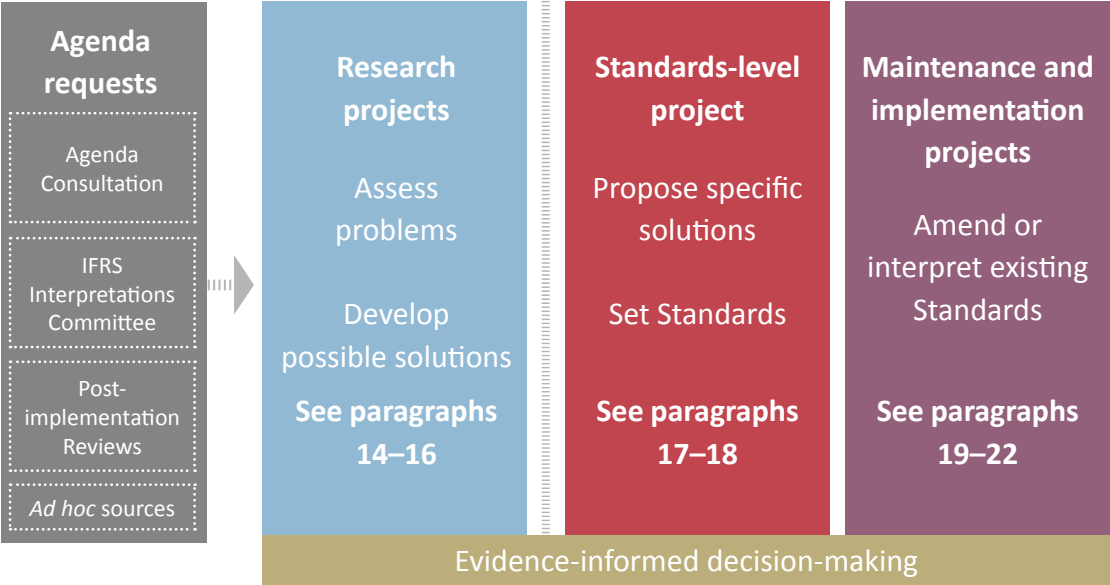
- 10 All comments will be on the public record and posted on the IASB's website unless confidentiality is requested. Such requests will not normally be granted unless supported by good reason, for example, commercial confidence. Please see the IASB's website for details on this and how it uses your personal data.

Next steps

- 11 The IASB expects to discuss the feedback received at a public meeting early in 2016. The IASB will publish a Feedback Statement summarising that feedback and its planned responses.

The IASB’s approach to standard-setting informed by evidence

- 12 The IASB’s approach to standard-setting has evolved significantly since the last Agenda Consultation. The IASB received a clear message then that stakeholders wanted its standard-setting to be more clearly based on evidence. Respondents suggested that research should be targeted to provide evidence about the need for change before the IASB starts a Standards-level project.
- 13 The new approach classifies the projects on the IASB’s work plan into three main categories, reflecting the three main phases of standard-setting activity:
 - (a) research projects;
 - (b) Standards-level projects; and
 - (c) maintenance and implementation projects.



Research projects

- 14 In response to the 2011–2012 Agenda Consultation, the IASB introduced a research programme. The purpose of the research programme is to analyse possible financial reporting problems by collecting evidence on the nature and extent of the perceived shortcoming and assessing potential ways to improve financial reporting or to remedy a deficiency. The main output of the research programme is the publication of Discussion Papers and Research Papers for public comment. The analysis in those papers, together with the comments from interested parties, will help the IASB to decide whether it should start a Standards-level project.

- 15 There is a relatively low hurdle for adding research projects to the research programme. In considering whether to start a research project, the IASB considers whether there is a possibility that the research could identify a subsequent Standards-level project that will meet the criteria for being added to the IASB's Standards-level programme. Not all research will lead to a Standards-level project. The IASB considers the following factors when it considers adding a project to its Standards-level programme:³
- (a) whether there is a deficiency in the way that particular types of transactions or activities are reported in financial reports;
 - (b) the importance of the matter to those who use financial reports;
 - (c) the types of entities likely to be affected by any proposals, including whether the matter is more prevalent in some jurisdictions than others; and
 - (d) how pervasive or acute a particular financial reporting issue is likely to be for entities.
- 16 In some instances, for smaller projects, the IASB will have sufficient evidence to add a project to its standard-setting programme without first conducting a separate research project. For example, the IASB may sometimes obtain sufficient evidence from a Post-implementation Review (PIR) or from work already performed by the IFRS Interpretations Committee ('the Interpretations Committee').

Standards-level projects

- 17 A Standards-level project is a project that develops a new Standard or substantially amends an existing Standard. The IASB will start a Standards-level project only when it has sufficient evidence that the problem is defined properly and that the staff have identified possible solutions that are of high quality and are implementable. Thus, the hurdle for adding a project to the IASB's Standards-level programme is higher than the hurdle for adding topics to the research programme.
- 18 The research programme confines itself to examining whether a problem exists and investigates possible ways to deal with it. In contrast, the IASB adds a project to the Standards-level programme only when the IASB proposes to take action on a problem. Before adding a major project to the Standards-level programme, the IASB normally publishes a Discussion Paper and considers the comments received.

Maintenance and implementation projects

- 19 In response to feedback during the 2011–2012 Agenda Consultation and other reviews by the Foundation Trustees, the IASB has been devoting more resources to maintenance and implementation projects.⁴ Maintenance and implementation projects are:
- (a) projects to make minor amendments to existing Standards (narrow-scope amendments and annual improvements) or to issue formal Interpretations of existing Standards; and
 - (b) Post-implementation Reviews.

³ Paragraph 5.4 of the *Due Process Handbook*.

⁴ *Report on the Trustees' Review of Efficiency and Effectiveness of the IFRS Interpretations Committee*: <http://www.ifrs.org/dpoc/Pages/Interpretations-Committee-review.aspx> and *IFRSs as the Global Standards: Setting a Strategy for the Foundation's Second Decade*: <http://www.ifrs.org/Alerts/PressRelease/Documents/TrusteesStrategyReviewFeb2012.pdf>

- 20 Many of the maintenance and implementation projects result from submissions to the Interpretations Committee. The Interpretations Committee carries out an initial assessment and conducts outreach to assess whether the submission meets the criteria required to add the item to the work plan of either the Interpretations Committee itself or the IASB. Those criteria state that the Interpretations Committee should address issues:⁵
- (a) that have widespread effect and have, or are expected to have, a material effect on those affected;
 - (b) in which financial reporting would be improved through the elimination, or reduction, of diverse reporting methods; and
 - (c) that can be resolved efficiently within the confines of existing Standards and the *Conceptual Framework for Financial Reporting*.
- 21 After the Interpretations Committee completes its assessment, it does one of the following:
- (a) It adds to its own work plan a project to develop, for approval by the IASB, an Interpretation, a targeted, narrow-scope amendment or an annual improvement. Other tools that the Interpretations Committee may use include providing non-mandatory guidance or explanations, such as proposals for additional illustrative examples.
 - (b) It refers the matter to the IASB. The IASB will consider whether to add the topic to its research programme or to its Standard-level programme, depending on the amount of evidence gathered by the Interpretations Committee.
 - (c) It refers the matter to the IFRS Education Initiative.
 - (d) After seeking public comment, it issues an agenda decision, giving the reason why no further action is proposed.⁶ When that reason is that IFRS already provides sufficient guidance, the Interpretations Committee will explain that guidance within the context of the issue submitted.
- 22 In assessing the issues submitted to it, and selecting the appropriate response, the Interpretations Committee's objective is to be responsive to the needs of those implementing IFRS in a manner that is consistent with principle-based standard-setting.

Post-implementation Reviews (PIRs)

- 23 The IASB is required to perform PIRs of all new Standards and all major amendments.⁷ A PIR normally begins after the new requirements have been applied internationally for two years, which is generally 30–36 months after the effective date. The IASB may also decide to carry out a PIR in other cases. When the IASB has completed a PIR, it summarises the findings in a Feedback Statement. In some cases, a PIR may lead to a research project, a narrow-scope amendment or even a Standards-level project.

⁵ Paragraph 5.16 of the *Due Process Handbook*.

⁶ Paragraph 5.22 of the *Due Process Handbook* describes such an agenda decision as a 'rejection notice'.

⁷ Paragraphs 6.52–6.54 of the *Due Process Handbook*.

The IASB's work plan

24 The following paragraphs discuss:

- (a) the effect of the 2011–2012 Agenda Consultation on the IASB's current work plan (paragraph 25);
- (b) how the work plan developed in 2012–2015 (paragraphs 26–28); and
- (c) the work plan—31 July 2015 onwards.

The effect of the 2011–2012 Agenda Consultation

25 Following its public consultation process, the IASB stated in its 2012 Feedback Statement that:

- (a) its work plan would focus on the following areas:
 - (i) a small number of major IFRS topics, focussing initially on the four major Standards-level projects in progress at the time of the 2011–2012 Agenda Consultation (Revenue Recognition, Financial Instruments, Leases and Insurance Contracts);
 - (ii) the *Conceptual Framework*; and
 - (iii) maintenance and implementation (including PIRs).
- (b) It would establish a research programme that would emphasise defining the problem to be solved in each potential project before deciding whether to add that project to the work plan.

How the work plan developed in 2012–2015

26 The major Standards-level projects (Revenue Recognition, Financial Instruments, Leases and Insurance Contracts) in progress at the time of the 2011–2012 Agenda Consultation have taken longer to complete than expected. IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* were issued in 2014. The Leases and Insurance Contracts projects are nearing completion.

27 Since 2012, the IASB has:

- (a) established its research programme (see paragraphs 32–43).
- (b) restarted its project on the *Conceptual Framework* (see paragraph 47).
- (c) started a Disclosure Initiative (see paragraphs 48–49).
- (d) added to its Standards-level programme a project on rate-regulated activities.
- (e) increased the number of maintenance and implementation projects (see paragraphs 50–53).
- (f) completed its first two PIRs, covering IFRS 8 *Operating Segments* and IFRS 3 *Business Combinations*. As a result, the IASB has added to its work plan a narrow-scope maintenance and implementation project to amend IFRS 8 and two research projects on the definition of a business and on goodwill and impairment (see paragraphs A5 and A7–A8 of Appendix A).
- (g) completed a review of the *International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs)*.

28 In addition, the IASB has enhanced the maintenance and implementation support it provides by providing the Interpretations Committee with a broader range of tools, focussing more on outreach after a Standard is issued, providing jurisdictions with endorsement and adoption support, and continuing to develop the IFRS Education Initiative (see also paragraph 52).

The IASB’s work plan—31 July 2015 onwards

29 The IASB has identified five categories of projects that it expects to work on during the period covered by this Agenda Consultation (mid-2016 to mid-2020). Three categories correspond to the three phases of standard-setting activity mentioned in paragraph 13 (research, Standards-level, maintenance and implementation). The other two categories include cross-cutting projects that are so significant that they justify separate mention (the *Conceptual Framework* and the Disclosure Initiative).

30 Subject to the outcome of this Agenda Consultation, the following table summarises the likely change in resources devoted to those five broad categories of projects from 31 July 2015 until the end of the period covered by this review (mid-2020).

Categories	Likely change in resources allocated in 2015–2020
Research projects	Increase, because of the expansion of the research programme.
Standards-level projects	No overall change.
<i>Conceptual Framework</i>	Significant decrease from 2017, when the <i>Conceptual Framework</i> project is expected to be completed.
Disclosure Initiative	Possibly some reduction towards the end of the period as individual projects are completed.
Maintenance and implementation projects	No overall change.

31 The following paragraphs discuss each of those five categories. Paragraphs 54–55 then comment on the overall level of the IASB’s activities and on how the IASB establishes priorities for individual projects.

Research projects

- 32 The research programme is a portfolio of projects of varying breadth, scope and complexity, and at various stages. Most of the projects now on the research programme were added in response to the feedback received in the 2011-2012 Agenda Consultation. The following table summarises the research programme as at 31 July 2015. Appendix A provides more detail.

Project stage	Project
Assessment stage	Definition of a Business
	Discount Rates
	Goodwill and Impairment
	Income Taxes
	Pollutant Pricing Mechanisms (formerly Emissions Trading Schemes)
	Post-employment Benefits (including Pensions)
	Primary Financial Statements (formerly Performance Reporting)
	Provisions, Contingent Liabilities and Contingent Assets
	Share-based Payment
Development stage	Business Combinations under Common Control
	Disclosure Initiative—Principles of Disclosure
	Dynamic Risk Management
	Equity Method
	Financial Instruments with Characteristics of Equity
Inactive	Extractive Activities/Intangible Assets/Research and Development (R&D)
	Foreign Currency Translation
	High Inflation

Possible additional research project

- 33 The Interpretations Committee has asked the IASB to consider a number of practical issues relating to the consistent application of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. The IASB has observed that a broad-scope project could be needed to deal with several of the issues raised. The IASB will decide whether to add to its work plan a research project on these issues when it has considered the feedback from this Agenda Consultation.

Stages of the IASB's research programme

- 34 Assessment-stage research projects are undertaken to identify and assess practical application issues in order to understand whether there is a financial reporting problem and to consider what further action, if any, is needed. The IASB receives updates on the progress of the research, but at this stage the projects take up little of the IASB's time. Once the assessment stage is complete, the project will typically either move into the development stage, be suspended or be removed from the research programme.
- 35 For development-stage research projects, the IASB has completed the preliminary assessment and decided that the project warrants further investigation. Generally, the IASB will have established that there is a financial reporting problem to be addressed by the project, but will not yet have decided whether any changes to IFRS are likely to be required. Thus, the main focus of development-stage projects will be assessing whether the IASB can identify a solution to the financial reporting problem and describing what form that solution is likely to take. The output from a development-stage project is likely to be the publication of a Discussion Paper.
- 36 Research projects may become inactive or, as a result of its assessment, the IASB may conclude that no Standards-level project is necessary. Before removing a project from its research programme, the IASB may decide to seek public feedback, either by issuing a separate Research Paper, Discussion Paper or Request for Views, or through an Agenda Consultation.

Inactive projects

- 37 There are currently three inactive projects on the research programme. One research project (on extractive activities, intangible assets and R&D) is discussed in paragraphs A27 and A28.
- 38 Two further research projects are currently inactive: foreign currency translation (see paragraphs 39–41) and high inflation (see paragraphs 42–43). The IASB has completed its assessments of these two projects and plans no further work at this stage. The IASB intends to remove these projects from the research programme, unless it receives strong new evidence from this Agenda Consultation that it should reassess its decision.

Foreign currency translation

- 39 The research project on foreign currency translation is currently inactive because the IASB has no compelling evidence to support a project to carry out a comprehensive review of IAS 21 *The Effects of Changes in Foreign Exchange Rates*. In its assessment, the IASB looked at two sets of issues raised by the Korea Accounting Standards Board (KASB):
- (a) whether the accounting requirements for long-term payables and receivables denominated in a foreign currency are appropriate when the currency is volatile and thinly traded; and
 - (b) whether a more comprehensive review of IAS 21 is needed to address some other matters raised with the Interpretations Committee and identified through the work of the KASB.

- 40 The IASB considered these issues in October 2014 and decided:
- (a) not to develop a narrow-scope amendment to IAS 21 that would apply when the currency is volatile and thinly traded;
 - (b) not to pursue any of the other matters further; and
 - (c) to reclassify the research project as longer-term. The IASB noted that it would be helpful to have more input from the KASB and other bodies interested in this topic, such as other national standard-setters, and that the focus of any work by those bodies should be on the broader issues relating to IAS 21, such as performance reporting, rather than narrow-scope issues.
- 41 The IASB based its decisions on analysis in Agenda Papers 8A(a)–8A(c) for the October 2014 IASB meeting, which are available from <http://www.ifrs.org/Meetings/Pages/IASB-Oct-14.aspx>.

High inflation

- 42 In this research project, the IASB considered a request made by the Group of Latin American Standard Setters (GLASS) to:
- (a) eliminate or reduce the cumulative inflation rate threshold currently included in IAS 29 *Financial Reporting in Hyperinflationary Economies* to identify when hyperinflation exists; and
 - (b) modify the procedures for reporting the adjustments resulting from restating the financial statements.
- 43 Following its own assessment, the IASB decided in April 2015 not to pursue the suggestions made by GLASS and not to do any more work on the project. It also decided to keep the inactive project on the work plan to enable interested parties to comment on these decisions as part of the 2015 Agenda Consultation. The IASB based its decisions on analysis in Agenda Paper 14 of the April 2015 IASB meeting, which is available from:
<http://www.ifrs.org/Meetings/Pages/IASB-Meeting-April-2015.aspx>

Standards-level and other major projects

- 44 The IASB has several types of major projects:
- (a) projects on the Standards-level programme to develop new Standards or substantially amend an existing Standard (ie excluding maintenance and implementation projects);
 - (b) major research projects—research projects that have reached a stage at which the staff require significant input from the IASB;
 - (c) the project on the *Conceptual Framework*; and
 - (d) the Disclosure Initiative.

45 The major projects as at 31 July 2015 were as follows:

Due process stage	Project
Upcoming Standards	Insurance Contracts
	Leases
Published Exposure Draft	<i>Conceptual Framework</i>
Upcoming Exposure Drafts	Disclosure Initiative—Changes in Accounting Policies and Estimates
	Disclosure Initiative—Materiality Practice Statement
Published Discussion Papers	Dynamic Risk Management
	Rate-regulated Activities ⁸
Upcoming Discussion Paper	Disclosure Initiative—Principles of Disclosure

46 During the period covered by this Agenda Consultation (mid-2016 to mid-2020):

- (a) the upcoming Standards-level projects listed in paragraph 45 are likely to be completed in the first part of that period;
- (b) the IASB will need to provide a degree of post-issuance support for completed projects, particularly major projects;
- (c) the major research projects currently in the development phase (and any standard-setting projects that result) are likely to require significant resources throughout the whole period;
- (d) some research projects currently in the assessment phase may become major research projects requiring significant resources, or may lead to major Standards-level projects; and
- (e) the IASB will need to start the next review of the *IFRS for SMEs*.

Conceptual Framework

47 In the 2011–2012 Agenda Consultation, there was strong and broad support for the IASB to give priority to revising its *Conceptual Framework*. In May 2015, the IASB published an Exposure Draft of proposed changes to the *Conceptual Framework*. This is open for comment until 26 October 2015. The IASB plans to complete the project by the end of 2016.

Disclosure Initiative

48 Feedback in the 2011–2012 Agenda Consultation stressed the importance of having a clear, effective, coherent and comprehensive but concise package of disclosure requirements (referred to by some as a disclosure framework). In 2013 the IASB conducted outreach with a range of stakeholders through a number of activities, including a major discussion forum and also consultation with the IFRS Advisory Council.⁹

⁸ The IASB now expects to publish a second Discussion Paper on Rate-regulated Activities.

⁹ <http://www.ifs.org/Meetings/Pages/IASB-Disclosure-Forum-January-2013.aspx>

- 49 The IASB then started work on a Disclosure Initiative, a broad-based initiative to explore how disclosures in IFRS financial reporting can be improved. The Disclosure Initiative is made up of a number of implementation and research projects, including:
- (a) a research project on the Principles of Disclosure (a Discussion Paper is expected around the end of 2015);
 - (b) a proposal to improve some of the disclosure requirements of IAS 7 *Statement of Cash Flows* (the IASB is currently assessing comments received on the proposal);
 - (c) a proposal to issue a Practice Statement on materiality (Exposure Draft expected in the fourth quarter of 2015);
 - (d) a proposal to amend IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* to clarify the distinction between a change in an accounting policy and a change in an accounting estimate (Exposure Draft expected in the first quarter of 2016);
 - (e) a review of disclosures in existing IFRS to identify targeted improvements and to develop a drafting guide; and
 - (f) amendments made in 2014 to IAS 1 *Presentation of Financial Statements*.

Maintenance and implementation projects

- 50 As at 31 July 2015 the IASB has on its maintenance and implementation agenda 13 projects to develop Interpretations, annual improvements or other narrow-scope amendments. Most of those projects are likely to be completed before the period covered by this Agenda Consultation, but new projects are likely to replace them.
- 51 Since publishing the 2012 Feedback Statement, the IASB has issued 15 annual improvements, or other narrow-scope amendments, and Interpretations relating to 21 Standards. In addition, the Interpretations Committee has issued 54 agenda decisions (ie decisions not to take an issue onto its work plan), many of which include educational guidance.

Other activities to support consistency of application and implementation

- 52 In addition to maintenance and implementation projects, the Foundation and the IASB have a number of other activities to support the consistency of application and implementation of IFRS. These activities are not included on the work plan discussed in this Request for Views, and include:
- (a) education activities that support consistent application;
 - (b) endorsement and adoption support;
 - (c) the IFRS Taxonomy;
 - (d) the *Official IFRS Translation Process*; and
 - (e) transition resource groups formed for some major new Standards, when required.
- 53 The *Trustees' Review of Structure and Effectiveness* provides more detail and includes a question on what the Foundation is doing to encourage the consistent application of IFRS (see Appendix B of this Request for Views).

Level of activity

- 54 The IASB considers that:
- (a) Its current work plan will enable it to make timely improvements to financial reporting.
 - (b) Its current and planned resources will be sufficient to enable it to carry out that work plan.
 - (c) If the IASB were to raise the level of its activities significantly above the level of the current work plan, its stakeholders would not have sufficient capacity to consider the IASB's proposals, to provide high-quality feedback on the proposals and to implement changes that result from those proposals. Accordingly, if the IASB focusses more on one aspect of its activities, it will need to focus less on another aspect of its activities.

Prioritising projects

- 55 In prioritising individual projects on its work plan and allocating resources to them, the IASB considers various factors, including:
- (a) the importance of the matter to those who use financial reports;
 - (b) the urgency of the problem to be resolved;
 - (c) interactions with other current or possible projects;
 - (d) the complexity and breadth of the problem to be resolved, and the feasibility of possible solutions being developed;
 - (e) the capacity of stakeholders to respond to proposals, both as individual proposals and across the work plan as a whole;
 - (f) the overall balance of the work plan and the overall balance in the pipeline of research projects that may ultimately come forward to the Standards-level programme; and
 - (g) the availability of sufficient time from IASB members and of staff resources.

Questions on the IASB's work plan 2016–2020

- 56 The IASB invites comments on all matters in this Request for Views. Respondents need not comment on all of the questions and are encouraged to comment on any additional matters. The IASB will consider all comments received in writing by 31 December 2015.

The balance of the IASB's projects

1 The IASB's work plan includes five main areas of technical projects:

- (a) its research programme;
- (b) its Standards-level programme;
- (c) the *Conceptual Framework*;
- (d) the Disclosure Initiative; and
- (e) maintenance and implementation projects.

What factors should the IASB consider in deciding how much of its resources should be allocated to each area listed above?

Research projects

2 The IASB's research programme is laid out in paragraph 32 and a further potential research topic on IFRS 5 is noted in paragraph 33.

Should the IASB:

- (a) add any further projects to its research programme? Which projects, and why? Please also explain which current research projects should be given a lower priority to create the capacity for the IASB to make progress on the project(s) that you suggested adding.
- (b) remove from its research programme the projects on foreign currency translation (see paragraphs 39–41) and high inflation (see paragraphs 42–43)? Why or why not?
- (c) remove any other projects from its research programme?

3 For each project on the research programme, including any new projects suggested by you in response to Question 2, please indicate its relative importance (high/medium/low) and urgency (high/medium/low).

Please also describe the factors that led you to assign those rankings, particularly for those items you ranked as high or low.

Major projects

4 Do you have any comments on the IASB's current work plan for major projects?

Maintenance and implementation projects

- 5 Are the IASB and the Interpretations Committee providing the right mix of implementation support to meet stakeholders' needs and is that support sufficient (see paragraphs 19–23 and 50–53)?

Level of change

- 6 Does the IASB's work plan as a whole deliver change at the right pace and at a level of detail that is appropriate to principle-based standard-setting? Why or why not?

Any other comments

- 7 Do you have any other comments on the IASB's work plan?

Frequency of Agenda Consultations

- 57 The IASB is required to carry out a public Agenda Consultation every three years.
- 58 It usually takes longer than three years, however, to complete a major research project and then a subsequent major Standards-level project. Consequently, many of the major projects that form the basis of discussion for one Agenda Consultation will still be on the work plan three years later. Thus, some feel that consulting on the IASB's agenda every three years is excessive. They suggest that five or even seven years would be a more realistic interval between Agenda Consultation cycles.
- 59 Others think that a three-year cycle is appropriate to provide the IASB with timely input on changes that might need to affect its agenda-setting strategies and priorities.

Frequency of Agenda Consultations

- 8 Because of the time needed to complete individual major projects, the IASB proposes that a five year interval between Agenda Consultations is more appropriate than the three year interval currently required. Do you agree? Why or why not?
- If not, what interval do you suggest? Why?

APPENDIX A

Research programme as at 31 July 2015

- A1 This appendix summarises the IASB's research programme as at 31 July 2015. The projects are classified in the following three categories identified in paragraphs 34–36:
- (a) assessment-stage projects;
 - (b) development-stage projects; and
 - (c) inactive projects.
- A2 Further information on the research projects, and other projects, is available on the IFRS website at <http://www.ifrs.org/Current-Projects/IASB-Projects/Pages/IASB-Work-Plan.aspx>.

Assessment-stage projects

- A3 There are currently nine assessment-stage projects on the IASB's research programme:
- (a) definition of a business;
 - (b) discount rates;
 - (c) goodwill and impairment;
 - (d) income taxes;
 - (e) pollutant pricing mechanisms (formerly emissions trading schemes);
 - (f) post-employment benefits (including pensions);
 - (g) primary financial statements (formerly performance reporting);
 - (h) provisions, contingent liabilities and contingent assets; and
 - (i) share-based payment.
- A4 The IASB added the projects on goodwill and impairment and on the definition of a business to the research programme in February 2015. The problem identification assessment work for these projects was completed in the Post-implementation Review (PIR) of IFRS 3 *Business Combinations*. The IASB staff are currently developing plans on how to progress these research projects. The IASB staff are liaising with the staff of the US standard-setter, the Financial Accounting Standards Board (FASB), because the FASB is considering similar issues and because IFRS 3 and the corresponding US requirements are converged.

Definition of a Business

- A5 The accounting treatment for a business combination differs from the accounting treatment for an asset acquisition. The PIR of IFRS 3 identified some challenges in determining whether a transaction is a business combination or an asset acquisition. The IASB staff have begun planning an approach to this research project. The research will consider whether the challenges can be dealt with by clarifying the existing definition of a business or by eliminating the differences between the two accounting treatments.

Discount Rates

- A6 Different discount rates are used in different Standards. The IASB staff are assessing why those differences exist and their effects. The IASB is expected to consider the results of the research before the end of 2015. That research will help the IASB to decide whether it should take any further action.

Goodwill and Impairment

- A7 The PIR of IFRS 3 identified mixed views about the relevance and cost-effectiveness of the existing requirements for the initial and subsequent measurement of goodwill. It also identified the need for improvements to impairment testing for goodwill and other non-current, non-financial assets.
- A8 The IASB staff have begun planning how to address three specific issues identified in the PIR:
- (a) whether changes should be made to the existing impairment test for goodwill and other non-current, non-financial assets;
 - (b) the extent to which other intangible assets should be separated from goodwill; and
 - (c) whether goodwill should be amortised.

Income Taxes

- A9 The IASB has received feedback that questions the decision-usefulness of some of the information provided by IAS 12 *Income Taxes*. The IASB and the Interpretations Committee have also received many questions about the application of IAS 12.
- A10 The IASB staff are currently analysing the results of recent surveys of users of financial statements and other stakeholders. This analysis, and the feedback received, should help the IASB to assess whether it should embark on a fundamental review of IAS 12, whether it should consider making targeted improvements to the existing requirements or whether it should take no further action. The IASB expects to consider the findings of the research late in 2015.

Pollutant Pricing Mechanisms (formerly Emissions Trading Schemes)

- A11 There is significant diversity in how pollutant pricing mechanisms, including emissions trading schemes, are accounted for in practice. The assessment stage is nearing completion. The IASB expects to publish a Discussion Paper in 2016.

Post-employment Benefits (including Pensions)

- A12 Previous work has established that existing requirements in IAS 19 *Employee Benefits* do not work well for some schemes that have some features of defined contribution schemes and some features of defined benefit schemes. This project is assessing whether a solution can be developed for these hybrid schemes without reconsidering the current accounting for defined benefit and defined contribution schemes. If not, a more fundamental reconsideration may be needed. The work on this project is at an early stage.

Primary Financial Statements (formerly Performance Reporting)

- A13 This project will examine the purpose, structure and content of the primary financial statements. As part of the research project on principles of disclosure, the IASB tentatively decided in March 2015 that primary financial statements are the statements of financial position, profit or loss and other comprehensive income, changes in equity and cash flows. Issues about performance reporting will be included among the issues being considered in this project. The IASB staff are starting to develop a plan for how to progress the project.

Provisions, Contingent Liabilities and Contingent Assets

- A14 Concerns have been raised about aspects of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, in particular:
- (a) the requirements for identifying liabilities (and especially how those requirements have been applied for levies and for restructuring costs); and
 - (b) diversity in the application of the measurement requirements.
- A15 It is unlikely that the IASB will be able to decide whether to start a project to amend IAS 37 and, if so, which aspects to amend until it has considered the feedback on the current proposals to revise the *Conceptual Framework*. Agenda Papers 14–14C for the IASB’s meeting in June 2015 summarise the evidence gathered by the IASB staff so far.

Share-based Payment

- A16 Many respondents to the 2011–2012 Agenda Consultation commented on the complexity of IFRS 2 *Share-based Payment*, which is evidenced by a number of submissions to the Interpretations Committee. The objective of the research project is to identify the main areas of complexity and their causes. The IASB does not expect to carry out a fundamental review of this Standard. The IASB expects to consider the findings of the research before the end of 2015.

Development-stage projects

- A17 There are currently five development-stage projects on the IASB’s research programme:
- (a) business combinations under common control;
 - (b) Disclosure Initiative—principles of disclosure;
 - (c) dynamic risk management;
 - (d) equity method; and
 - (e) financial instruments with characteristics of equity.
- A18 The research projects on dynamic risk management and the Disclosure Initiative are considered to be of high priority. They are both classified as major projects on the IASB’s work plan.

Business Combinations under Common Control

- A19 Business combinations under common control, including those undertaken when preparing for initial public offerings, are excluded from the scope of IFRS 3, because the combining entities are controlled by the same party. The IASB has observed diversity in practice in accounting for such transactions. The IASB expects to publish a Discussion Paper early in 2016.

Disclosure Initiative—Principles of Disclosure

A20 As noted in paragraph 49, the Disclosure Initiative is a portfolio of research projects, Standards-level projects and maintenance and implementation projects. The main Disclosure Initiative project within the research programme is on principles of disclosure. The aim is to develop a Disclosure Standard that improves and brings together the principles for determining the basic structure and content of the financial statements, particularly the accompanying disclosure notes. The IASB expects to publish a Discussion Paper by the end of 2015. This work is expected to support a future systematic review of disclosure requirements in all Standards.

Dynamic Risk Management

A21 There are difficulties in applying existing hedge accounting requirements to portfolios in which exposures change frequently, as new exposures are added and existing exposures mature or are prepaid ('open portfolios'). A Discussion Paper *Accounting for Dynamic Risk Management: a Portfolio Revaluation Approach to Macro Hedging* was issued in April 2014. Views received were mixed and further research is being conducted. The IASB staff are currently developing plans on how to progress this project. The next step is likely to be a further Discussion Paper.

Equity Method

A22 The equity method is used to account for an investor's interest in associates, and in some other cases. There has been a high level of submissions to the Interpretations Committee, highlighting the complexities of that method and suggesting the need for a fundamental review of the equity method. In June 2015, the IASB decided to focus on a narrower-scope project to simplify the equity method and address many of the implementation issues identified by the Interpretations Committee. The IASB expects to publish a Discussion Paper in 2016.

A23 In the longer term, evidence gathered in the development-stage project will provide a basis for a more fundamental assessment of the objective and principles of the equity method.

Financial Instruments with Characteristics of Equity

A24 The classification of financial instruments as liabilities or equity in accordance with IAS 32 *Financial Instruments: Presentation* presents many challenges. The project is exploring whether the existing classification requirements in IAS 32 could be improved. In addition, the project is looking at what improvements could be made to the presentation and disclosure requirements for financial instruments with characteristics of equity. The timing of a Discussion Paper has yet to be determined.

Inactive projects

A25 Two research projects are currently inactive and awaiting removal from the work plan. These projects relate to foreign currency translation and high inflation. They are discussed in paragraphs 38–43.

A26 One other research project (on extractive activities, intangible assets and R&D) is also currently inactive.

Extractive Activities/Intangible Assets/R&D

- A27 A project team of national standard-setters from Australia, Canada, Norway and South Africa undertook a research project on extractive activities (such as mining and the extraction of oil or gas). The IASB published the team's findings in April 2010. In October 2010 the IASB considered the comments received and decided not to do any additional work until after the 2011–2012 Agenda Consultation. That consultation highlighted broader concerns about the accounting for research and development activity and the recognition and measurement of intangible assets. These issues have parallels with some issues arising in the extractive activities.
- A28 However, in response to the feedback from the 2011–2012 Agenda Consultation, the IASB assigned a low priority to the project. As a result, the IASB has not carried out any further direct research to date and has not received strong demand to do so.

APPENDIX B

Questions from the Trustees' Review of Structure and Effectiveness

- B1 The Request for Views *Trustees' Review of Strategy and Effectiveness: Issues for the Review* poses the following questions on the relevance of IFRS and on the consistent application of IFRS:
- Q1 Considering the consequences referred to [in that Request for Views], what are your views on whether the IASB should extend its remit beyond the current focus of the organisation to develop Standards; in particular for entities in the private, not-for-profit sector?
 - Q2 Do you agree with the proposal that the IASB should play an active role in developments in wider corporate reporting through the co-operation outlined [in that Request for Views]?
 - Q3 Do you agree with the Foundation's strategy with regard to the IFRS Taxonomy?
 - Q4 How can the IASB best support regulators in their efforts to improve digital access to general purpose financial reports to investors and other users?
 - Q5 Do you have any views or comments on whether there are any other steps the IASB should take to ensure that it factors into its thinking changes in technology in ways in which it can maintain the relevance of IFRS?
 - Q6 What are your views on what the Foundation is doing to encourage the consistent application of IFRS? Considering resourcing and other limitations, do you think that there is anything more that the Foundation could and should be doing in this area?
- B2 The Request for Views also poses questions on the governance and financing of the IFRS Foundation. Those questions are not reproduced here.

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