

## STAFF PAPER

December 2015

## IASB Meeting

Project	Research Programme		
Paper topic	General Update		
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This paper has been prepared for discussion at a public meeting of the IASB and does not represent the views of the IASB or any individual member of the IASB. Comments on the application of IFRSs do not purport to set out acceptable or unacceptable application of IFRSs. Technical decisions are made in public and reported in IASB *Update*.

## Introduction

1. The purpose of this session is to give a general update on projects in the research programme since the last update, provided in the IASB's September 2015 meeting.
2. The Appendix shows when the research projects were last discussed in IASB meetings and whether they are expected to be discussed again soon.
3. Each project has a project page on the IFRS.org website, which provides more detailed background information. The project pages can be accessed through the work plan at <http://go.ifrs.org/IASB-Work-Plan>.
4. The deadline for comments on the Request for Views *2015 Agenda Consultation* is 31 December 2015<sup>1</sup>. The feedback received will help inform decisions about the priorities, next steps and timings for the research projects.

## Recent developments

### ***Definition of a Business***

5. Since the last Update, one project, Definition of a Business, has moved from being a research project to a maintenance and implementation project.

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<sup>1</sup> The Request for Views *2015 Agenda Consultation* is available to download from <http://www.ifrs.org/Current-Projects/IASB-Projects/IASB-agenda-consultation/2015-agenda-consultation/Pages/default.aspx>.

## **Equity Method**

6. In June 2015, the IASB tentatively decided to focus the scope of the Equity Method project on application problems arising from the equity method requirements in IAS 28 *Investments in Associates and Joint Ventures*. The IASB also decided to consider whether there is a need for a wider research project on the equity method after the Post implementation Reviews of IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities*.
7. In September 2015, members of the Accounting Standards Advisory Forum (ASAF) expressed concern about the staff's initial proposals for progressing this project. In its December 2015 meeting, the ASAF members aim to provide advice on the scope of the project. The staff will then aim to present a revised project plan to the Board in early 2016, reflecting feedback on the Agenda Consultation and ASAF advice.

## **Question for the IASB**

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Do IASB members have any questions or comments about the projects or about the research programme generally?

## Appendix: Project discussions

The following table indicates the recent and forthcoming public meetings at which research projects have been or will be discussed. The meeting papers and meeting summaries can be downloaded from the meetings diary on the IASB's website

(<http://www.ifrs.org/Meetings/Pages/Meetings-Page.aspx>) or from the individual project pages, which can be accessed through <http://go.ifrs.org/IASB-Work-Plan>.

Research projects	Latest IASB discussions	This month—December	Planned activities—next six months	Outlook beyond the next 6 months
Assessment stage				
Discount Rates	September 2015	Agenda Ref. 17	Consider the research findings and feedback on the Agenda Consultation before deciding on the next steps, if any.	
Goodwill and Impairment	November 2015		Consider the research findings and feedback on the Agenda Consultation. Hold further discussions with the US Financial Accounting Standards Board (FASB) about the next steps, if any.	
Income Taxes			Analyse the results of surveys of users of financial statements and other stakeholders. Consider research on possible problem areas in current practice and current requirements. Consider next steps, if any, in light of the feedback on the Agenda Consultation.	

Research projects	Latest IASB discussions	This month—December	Planned activities—next six months	Outlook beyond the next 6 months
Pollutant Pricing Mechanisms	October 2015		<ul style="list-style-type: none"> <li>• Compare types of PPM and their financial effects;</li> <li>• Consider how the definition of a liability applies to:               <ul style="list-style-type: none"> <li>• Emissions above a threshold; and</li> <li>• Free allowances received.</li> </ul> </li> <li>• Consider timing of recognition of awards for achieving reductions in emissions/ increases in carbon capture;</li> <li>• Consider measurement for both allowances (assets) and liabilities relating to emissions; and</li> <li>• Consider implications of any International Public Sector Accounting Standards Board (IPSASB) proposals for the accounting by government and scheme administrators, in particular whether symmetry of accounting treatment is relevant.</li> </ul>	<p>Subject to the feedback on the Agenda Consultation, the next step is expected to be a Discussion paper. The timescale will depend upon both the:</p> <ul style="list-style-type: none"> <li>• outcome of the Conceptual Framework project relating to asset/liability definitions, recognition and measurement; and</li> <li>• interaction with the related IPSASB project.</li> </ul>
Post-employment Benefits	November 2015		Consider next steps, if any, in light of the feedback on the Agenda Consultation	

Research projects	Latest IASB discussions	This month—December	Planned activities—next six months	Outlook beyond the next 6 months
Primary Financial Statements	June 2015		<p>Consider next steps, if any, in light of the feedback on the Agenda Consultation.</p> <p>In the meantime, the staff will:</p> <ul style="list-style-type: none"> <li>• review concepts explored in the old Financial Statement Presentation project, to assess which of them may merit further investigation;</li> <li>• monitor work currently being done by the FASB in this area:</li> <li>• gather background information on how entities using IFRS report on their financial performance;</li> <li>• look at some research work being done on cash flow reporting by the UK Financial Reporting Council;</li> <li>• perform informal outreach to identify the gaps and deficiencies in existing requirements and practices.</li> </ul>	
Provisions, Contingent Liabilities and Contingent Assets	July 2015		Consider next steps, if any, in light of the feedback on the <i>Conceptual Framework</i> ED and on the Agenda Consultation	
Share-based Payment	November 2015		Consider next steps, if any, in light of the feedback on the Agenda Consultation	

Research projects	Latest IASB discussions	This month—December	Planned activities—next six months	Outlook beyond the next 6 months
Development stage				
Business Combinations under Common Control			<p>Topics to be discussed include:</p> <ul style="list-style-type: none"> <li>• which transactions?</li> <li>• should the meaning of ‘common control’ be reviewed?</li> <li>• which financial statements—just consolidated or also separate?</li> <li>• what accounting method should the new parent use (predecessor method or acquisition method)?</li> <li>• if the predecessor method is used, how should it be applied?</li> </ul>	Subject to the feedback on the Agenda Consultation, the next step is likely to be a Discussion Paper.
Disclosure Initiative—Principles of Disclosure/ Standards level review of disclosures	October 2015	Agenda Ref. 11A	<p>Principles of Disclosure Discussion Paper planned to be published in Q1 2016.</p> <p>Depending on the outcome of the Board’s discussion in December 2015, there may also be further work on the standards level review.</p>	
Dynamic Risk Management	July 2015		Continue the discussions with the IASB concerning an accounting model to reflect how entities dynamically manage interest rate risk.	Subject to the feedback on the Agenda Consultation, the next step is likely to be a second Discussion Paper.

Research projects	Latest IASB discussions	This month—December	Planned activities—next six months	Outlook beyond the next 6 months
Equity Method	June 2015		The IASB will consider next steps, if any, in light of advice from the ASAF and feedback on the Agenda Consultation.	The IASB plans to consider whether there is a need for a wider research project on the equity method after the Post implementation Reviews of IFRS 10 <i>Consolidated Financial Statements</i> , IFRS 11 <i>Joint Arrangements</i> and IFRS 12 <i>Disclosure of Interests in Other Entities</i>
Financial Instruments with Characteristics of Equity	October 2015		<p>Topics to be discussed include:</p> <ul style="list-style-type: none"> <li>• additional considerations on derivatives on own equity;</li> <li>• additional considerations on contingencies and conditionality;</li> <li>• requirements for subclasses within liabilities and within equity;</li> <li>• interaction of contractual rights and obligations with regulatory and legal requirements.</li> </ul>	Subject to the feedback on the Agenda Consultation, the next step is likely to be a Discussion Paper.
<b>Inactive projects (awaiting feedback on Agenda Consultation)</b>				
Extractive Activities/ Intangible Assets/ R&D	Oct 2010			
Foreign Currency Translation	Oct 2014			
High Inflation	April 2015			