

AGENDA PAPER

IFRS Foundation Trustees meeting – Due Process Oversight Committee

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Consultative Groups and DPOC engagement: update

Introduction

1. The purposes of this paper are to provide updates on a number of consultative groups and on the DPOC's engagement with the IASB's major advisory and consultative bodies.

Consultative Groups updates

2. Since the DPOC meeting in October 2014, a number of groups have met as summarised below.

IFRS Advisory Council

3. A meeting of the Advisory Council took place on 13-14 October. A copy of Advisory Council Chair Joanna Perry's report of the meeting was circulated to all Trustees under cover of Jenny Cale's e-mail of 5 November¹. David Loweth attended most of the Council meeting and supports the conclusion made by Joanna in her report that: "Overall feedback of the meeting was very positive, from Trustees, IASB board members and Foundation staff as well as from Council members. The agenda struck the right balance and the Council were able to provide valuable strategic advice both to the IASB and to the Trustees".

Accounting Standards Advisory Forum (ASAF)

4. The latest meeting of the ASAF took place on 4-5 December. The view from the IASB and technical staff is that the meeting went well. As reported elsewhere on the agenda for this Trustees' meeting (Agenda Paper, AP, 1G refers), the two-yearly review of the ASAF is currently underway and the results of the preliminary feedback received from ASAF members and the wider global standard-setting community is broadly positive.

Joint Transition Resource Group for Revenue Recognition

5. As reported previously, the IASB and the US Financial Accounting Standards Board (FASB) have formed a limited-life Joint Transition Resource Group for Revenue

¹ Joanna's report is also available on the website at:
<http://www.ifrs.org/Meetings/MeetingDocs/Advisory%20Council/2014/October/AC-report-October-2014.pdf>.

Recognition (TRG). The TRG has been established to inform the IASB and the FASB about potential implementation issues that could arise when companies and organisations implement the new Standard. The TRG will also provide stakeholders with an opportunity to learn about the new Standard from others involved with implementation. The TRG will not issue guidance.

6. All meetings of the TRG are public and co-chaired by the Vice-Chairmen of the IASB and the FASB. The second meeting of the group was held on 31 October, with a further meeting scheduled for 26 January. At the October meeting, the TRG considered five potential implementation issues²; for its January meeting, the TRG has 13 items on its agenda (including updates on a number of issues from earlier meetings)³.
7. The TRG initially included one representative from each of the Big Four accounting firms (two from the US and two internationally). Given the more challenging implementation environment in the US, it has now been thought appropriate to have representatives from each of the Big Four firms in the US. Accordingly, and to preserve the balance, the Boards have decided to include on the TRG two representatives from each of the Big Four accounting firms (four from the US and four internationally).

Transition Resource Group for Impairment of Financial Instruments

8. As DPOC members are aware, the IASB has established a transition resource group for impairment (the ITG). The objective of this group is to provide a forum for stakeholders to discuss emerging implementation issues arising from the new impairment requirements set out in IFRS 9. An introductory meeting of the group, by conference call, was held on 3 December⁴.

IFRS Taxonomy Consultative Group (ITCG)

9. As reported previously to the DPOC, in April 2014, the IASB established a new consultative group to help provide a technical advisory and review forum in which members can contribute towards the development of the IFRS Taxonomy. Since the DPOC meeting in October, the ITCG has held a face-to-face meeting on 28 October and a conference call on 11 December⁵. David Loweth attended part of the meeting held on 28 October and can report positively on the level of attendance, engagement and debate by

² Further details of the group, including agendas and papers for meetings can be accessed at: <http://www.ifrs.org/About-us/IASB/Advisory-bodies/Joint-Revenue-Transition-Resource-Group/Pages/Home.aspx>.

³ The agenda and papers for the January 2015 Revenue TRG meeting can be accessed at: <http://www.ifrs.org/Meetings/Pages/Joint-TRG-for-Revenue-Recognition-January-2015.aspx>.

⁴ Further details can be accessed at: <http://www.ifrs.org/About-us/IASB/Advisory-bodies/ITG-Impairment-Financial-Instrument/Pages/Meetings.aspx>.

⁵ Further details of the agendas and papers for ITCG meetings and calls can be accessed at: <http://www.ifrs.org/About-us/IASB/Advisory-bodies/Working-groups/ITCG/Pages/IFRS-Taxonomy-Consultative-Group-ITCG.aspx>.

ITCG members. That view is shared by the technical staff, who felt that the meeting overall went very well.

Capital Markets Advisory Committee (CMAC)

10. The latest meeting of the CMAC was held on 16 October⁶. The view of the IASB technical staff is that this was a positive and valuable meeting.

Global Preparers Forum (GPF)

11. The latest meeting of the GPF was held on 6 November⁷. The view of the IASB technical staff is that the meeting went well.

Emerging Economies Group (EEG)

12. The EEG held its 8th meeting on 11-12 December. The communiqué from that meeting⁸ reported that: “Members acknowledged that by their joint efforts with the IASB, the EEG works smoothly and achieves fruitful results. In particular, the meeting provides a venue for discussing specific accounting issues from emerging economies’ perspectives, which will be helpful to achieve the mission of IASB to develop one single set of high quality global accounting standards”.

Future DPOC engagement

13. As reported previously, the DPOC has discussed how it might enhance its engagement with consultative groups and IFRS Foundation Constitutional bodies (in particular the IFRS Interpretations Committee and the IFRS Advisory Council). The DPOC agreed with Scott Evans’ proposal at the Committee’s meeting in April 2013 that one member of the DPOC, or David Loweth (on behalf of the DPOC), should attend at least part of a face-to-face meeting of each of the major groups and report back to the Committee to validate the breadth of attendance and an appreciation of the quality of the dialogue.
14. Apart from the meetings referred to in paragraphs 3-12 above, there has been no activity since the October 2014 meeting.
15. In terms of the future, the following meetings are scheduled for the first half of 2015. Harvey would welcome indications from Committee members as to which of the meetings outlined below they would be willing to observe:

⁶ A summary of the CMAC meeting is at: <http://www.ifrs.org/About-us/IASB/Advisory-bodies/CMAC/past-meetings/Documents/Meeting-summary-CMAC-Oct-2014.pdf>.

⁷ Minutes of the meeting are available at: <http://www.ifrs.org/Meetings/MeetingDocs/Other%20Meeting/2014/November/GPF-minutes-November-2014.pdf>.

⁸ The full communiqué is available at: <http://www.ifrs.org/Meetings/MeetingDocs/Other%20Meeting/2014/December/Communique-Eighth-EEG-meeting-in-Jakarta-December-2014.pdf>.

Group	Date	Location
IFRS Advisory Council	23-24 February 2015, then 9-10 June.	London (David attending).
Capital Markets Advisory Council (CMAC)	27 February 2015, then 11-12 June 2015 (joint with GPF).	London
IFRS Taxonomy Consultative Group (ITCG)	11 February 2015 (conference call), then 21 April 2015 (face-to-face) and 6 May 2015 (conference call).	London
Joint TRG Revenue Recognition	26 January 2015, then 30 March 2015.	London and Norwalk (simultaneously).
Global Preparers Forum (GPF)	5 March 2015, then 12 11-12 June 2015 (joint with CMAC).	London
IFRS Interpretations Committee	27-28 January 2015, then and 24-25 March 2015 and 12-13 May 2015.	London
Accounting Standards Advisory Forum (ASAF)	26-27 March 2015.	London
Rate-Regulated Activities Consultative Group (RRACG)	4 March 2015	London
TRG Impairment of Financial Instruments	22 April 2015.	London