

Topic	Agenda Consultation 2015		
Paper topic	Revised timetable and consultation on the draft RFV		
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This paper has been prepared for discussion at a public meeting of the IFRS Advisory Council. The views expressed in this paper are those of the authors. Comments made in relation to the application of an IFRS do not purport to be acceptable or unacceptable application of that IFRS.

Introduction

1. We spoke to you in February about the 2015 Agenda Consultation process. At that time we thought that we would be publishing a request for views ('RFV') in December of this year. Since then we have met four times with the IASB's 2015 Agenda Consultation Board Advisers.
2. The Board Advisers provide advice to the staff. Martin Edelmann chairs this group; Patrick Finnegan, Suzanne Lloyd and Mary Tokar also advise. In discussion with them, we have decided to progress the 2015 Agenda Consultation process at a faster pace than was achieved for the 2011-12 process:
 - (a) The 2011-12 agenda consultation process had been our first experience of consulting publicly on our agenda. We learnt as we went along; the 2015 Agenda Consultation process will reflect the lessons learnt.
 - (b) As a result of the 2011-12 agenda consultation, our work programme has crystallised around a commitment to deliver a number of identified standards-level projects as well as a broad research programme designed to assess perceived problems or deficiencies in IFRS in support of evidence-based standard-setting. The IASB's current agenda is a very full one.
 - (c) The Trustees intend to review the IASB's structure and effectiveness through public consultation in Quarter 3 of this year. We think that the agenda consultation process should be closely aligned with that

process—the IASB’s work programme is the principal tool for achieving its strategy. Accordingly, we have revised the timing of this consultation process to reflect that of the strategic review.

I Project timetable

3. We have prepared a detailed project plan that envisages completing the process by Quarter 1, 2016. The timetable highlights are:

Project plan	
	2015
Update Trustees	15 April
IASB admin meeting	19 May
Consult Advisory Council	9 June
Update Trustees	18 June
IASB meeting (sweep issues, if needed)	22 June
IASB meeting (permission to publish)	20 July
Publish RFV	30 July
Conduct outreach, including:	Throughout Q3
WSS	28 September
IFASS	30 September
ASAF	1 October
Update Trustees	14 October
Comment period ends	30 November

Project plan (continued)	
	2016
IASB meeting (discuss feedback)	18 January
IASB meeting (permission to publish Feedback Statement)	16 February
Publish Feedback Statement	29 February

Question 1 for the Advisory Council

Do you have any comments on the proposed timetable?

II Contents and structure of the RFV

4. The main objective of today's meeting is to consult you about the contents of the public consultation document, the RFV. We will ask you questions today on the matters set out below.

Please note that the detailed questions for the Advisory Council are embedded in the draft RFV itself.

- (a) What context do you think we should provide about the IASB's capacity to address technical issues during the agenda consultation period?
 - (b) What questions should we ask about the IASB's current major projects work programme?
 - (c) How should we position the research programme, and its linkage with the IASB's work plan, in the consultation process? What questions should we ask respondents about the IASB's research programme?
 - (d) What additional questions about the IASB's overall strategy do you think that we should ask in this consultation process, if any?
 - (e) Should we take this opportunity to ask stakeholders how we should address the natural tension between requests for a period of calm and requests for us to improve IFRS?
 - (f) What other comments or suggestions do you have on the proposed structure or content of the RFV?
5. A preliminary outline of the RFV is attached to aid this discussion.

APPENDIX

[DRAFT] Request for Views:

AGENDA CONSULTATION 2015

Introduction

1. The purpose of this consultation is to gather views, from all those interested in financial reporting, on the strategic direction and balance of the IASB's work programme. The review also seeks views on reporting issues that respondents think should be given priority by the IASB or that should be withdrawn from the work programme.

Background

2. The IFRS Foundation *Due Process Handbook* (sections 4.3-4.5) requires the IASB to undertake a public consultation on its work programme every three years. In addition to this public consultation, the IASB must consult the IFRS Advisory Council; it is also required to keep the Trustees of the IFRS Foundation ('the Trustees') informed throughout the process.
3. The 2015 Agenda Consultation will be the second time that the IASB has undertaken this public consultation. The IASB issued its first RFV on this topic in July 2011. Comments on that RFV were requested by 30 November 2011. Stakeholders' engagement with the first agenda consultation process was good:
 - (a) In response to the 2011 RFV, the IASB received 243 comment letters, all of which are available on the IASB website.
 - (b) The IASB and staff held over 80 outreach meetings in a range of formats, including discussion forums, webcasts and individual meetings.
 - (c) The topic was presented at nine conferences hosted or co-hosted by the IASB.
 - (d) In addition, over a dozen outreach meetings were held specifically with investors.

- (e) The IASB also held public round tables in Singapore, Connecticut, Toronto and London.
4. In December 2012, the IASB published its *Feedback Statement: Agenda Consultation 2011*. The Feedback Statement and full details of the 2011-12 process can be found on our website:
<http://www.ifrs.org/Current-Projects/IASB-Projects/IASB-agenda-consultation/Pages/IASB-agenda-consultation-2011-2012.aspx>
5. We do not envisage that the 2015 Agenda Consultation process will be as detailed as the 2011-12 process was:
- (a) The 2011-12 agenda consultation process was our first experience of consulting publicly on our agenda. We learnt as we went along; the 2015 Agenda Consultation RFV will reflect that learning process.
- (b) As a result of the 2011-12 agenda consultation, our agenda has crystallised around a commitment to identified standards-level projects and a broad research programme designed to assess perceived problems or deficiencies in IFRS in support of evidence-based standard-setting. The IASB's current agenda is a very full one.
- (c) The 2015 Agenda Consultation process will be linked with a strategic review that will be carried out by the Trustees at the same time.

IFRS Foundation: Review of Structure and Effectiveness

6. The Trustees are currently carrying out a review of the IASB's Structure and Effectiveness. This includes public consultation through an RFV (the 'Structure and Effectiveness RFV') which is available on our web site:
[insert URL]

7. The Structure and Effectiveness RFV asks questions that interlink with the 2015 Agenda Consultation process, such as:
- (a) whether the IASB should develop Standards for entities in the not-for-profit sector;
 - (b) what role the IASB should play in developments in corporate reporting;
and
 - (c) how the IASB should ensure that it factors into its thinking changes in technology in order to maintain the relevance of IFRS.
8. Accordingly, we have aligned the timing of the 2015 Agenda Consultation process with that of the Trustee's public consultation to prevent any duplication of effort by this organisation or its stakeholders.

How have the IASB's current activities been shaped?

Our work programme in 2011

9. During its first ten years the IASB experienced a period of almost continuous change. The short-term project to improve the Standards inherited from our part-time predecessor body, the convergence programme with the FASB and the financial crisis all resulted in significant changes being made to IFRS during this period. At the end of that period, we were very focused on delivering four major projects—Financial instruments, Insurance contracts, Leases and Revenue.

How the work programme developed 2012-2015

10. From 2012, the IASB put increased emphasis on the maintenance of IFRS, in part as a result of the 2011-12 agenda consultation as well as in recognition of the importance of consistent application of IFRS. We are now more responsive in ensuring that IFRS remains relevant—keeping up with changes in financial reporting and changes to the nature of how business is transacted.
11. Of the major projects on our agenda in 2011, only Leases and Insurance contracts remain to be completed. The major projects have progressed less quickly, however, than we had expected at the time of the 2011-12 agenda consultation. This meant that research on many areas identified in that consultation did not progress as planned.

The effect of the 2011-12 agenda consultation

12. The 2011-12 agenda consultation process has been a significant factor in shaping our activities over the last three years. We received a number of key messages that were reported in the Feedback Statement. The effect that those messages have had on shaping our work programme is noted in the following table:

Messages received 2011-12	Effect on work plan July 2015
Complete four main projects: Financial instruments, Insurance contracts, Revenue and Leases	FI, revenue are done. Leases will have finished deliberations. Insurance contracts: still important decisions to be made.
Emphasis on maintenance of IFRS	Work of IFRS IC increased
Key– <i>Conceptual Framework</i> , especially: Assets and liabilities; OCI and performance reporting Disclosure framework	<i>Conceptual Framework</i> out for comment; Principles of Disclosure and OCI and performance reporting in development
Period of calm needed for: First time adopters Assess effect of applying four main projects Apply recent Standards Make targeted improvements to IFRS	Frequently discussed. Shift in emphasis to a sensitivity to change; delivered by considering effective dates
Restrict standards-level projects to those based on a clear need for improvement	Only one new topic (Rate-regulated activities) since 2012
Rely more on NSS for research; project initiation and as a sounding board	UK: FRC cash flows; OIC: change in accounting policies; NZ: drafting and Standards review
Priority projects identified in 2012: OCI and performance reporting BCUCC Agriculture Rate-regulated activities Extractive industries (mining pro; oil anti) Emissions trading FICE Discount rates	[All research projects to be updated for latest position prior to publication in July]
Priority for investors in 2012: OCI and performance reporting FSP and disclosure Discount rates	[All research projects to be updated for latest position prior to publication in July]

The position now

13. The IASB's current work programme is a full one. The revenue convergence project and the work done on financial instruments as a result of the financial crisis have been replaced by new projects, such as the Disclosure Initiative and the *Conceptual Framework*, which arose from the 2011-12 agenda consultation. The IASB's focus on maintenance, also requested by the 2011-12 agenda consultation process, has resulted in a number of narrow-scope amendments being added to the work programme. In addition, now that we have caught up on the major projects, we intend to turn our attention to the research programme.

Scope of the 2015 Agenda Consultation

14. The scope of the 2015 Agenda Consultation process will be determined by two parameters:
- (a) the period of the work programme covered by the consultation period;
and
 - (b) the expected level of standard-setting activity during that period.

What period are we consulting about?

15. The IASB is required to consult publicly about its work programme every three years. The 2015 Agenda Consultation RFV will be out for public comment until [xx November 2015]. The comment letter analysis and outreach summary are likely to be discussed at a public meeting of the IASB early in 2016. The IASB expects to publish a Feedback Statement on the 2015 Agenda Consultation process in [H1, 2016].
16. The IASB would initiate its next three-yearly agenda consultation process three years thereafter, ie in the middle of 2019, and publish a Feedback Statement on that process some time in 2020. Consequently, the time period that is expected to be affected by the results of this consultation process would be the work programme from mid-2016 to mid-2020.

What tasks have we already committed ourselves to undertake in that period?

17. We received a clear message in the 2011-12 agenda consultation process that stakeholders thought that the IASB should dedicate additional resources to the implementation and maintenance of IFRS. We acknowledge that we need to support stakeholders in making the changes that are required by the implementation of new Standards. In addition, the Trustees in their 2012 Strategic Review of IFRS identified the consistent application of the IFRS as a vital interest of the IASB.

Post-issuance support

18. The IASB has taken both messages on board and has a continuing strategy of providing application and implementation support to all stakeholders through:
- (a) the establishment of transition resource groups, if required;
 - (b) the establishment of an IASB Implementation Steering Committee whose role is to assess whether the appropriate processes are in place to ensure that the Foundation is receiving intelligence on implementation issues on a timely basis and conducting the appropriate follow-up;
 - (c) the requirement to carry out post-implementation reviews;
 - (d) education activities in support of consistent application;
 - (e) an internal initiative to enhance the accessibility of IFRS;
 - (f) an increased focus on post-issuance support and outreach project-by-project; and
 - (g) in particular, the activities of the IFRS Interpretations Committee, ('Interpretations Committee'). (See also paragraphs 37-38.)
19. The implementation period of new Standards is not a time of additional activity only for us. We are also sensitive to the effect that the changes required to implement a new Standard, or implement amendments to an existing one, represent a significant burden to stakeholders and a support period is now factored into each of our project plans.

Projected activities to 2019

20. It will always be difficult for us to predict the exact timing of our projects, but if we extrapolate our published work programme of major projects (ie excluding the majority of our research programme) to include post-issuance support activities and to reflect the effect of change on our stakeholders, the picture that emerges is of a work programme that is already very full during the period under consultation:

Work programme (Major projects)					
			Period under consultation		
	2015	2016	2017	2018	2019
<i>Conceptual Framework</i>	✓	✓	<i>Apply</i>		
Upcoming Standards:					
Financial Instruments	<i>Apply</i>	<i>Apply</i>			
Insurance contracts	✓	✓	<i>Apply</i>	<i>Apply</i>	
Leases	✓	<i>Apply</i>	<i>Apply</i>	<i>Apply</i>	
Revenue	✓	<i>Apply</i>	<i>Apply</i>	<i>Apply</i>	
SME review	✓	<i>Apply</i>		✓	✓
Published Discussion Papers:					
Dynamic risk management	✓	✓	✓	✓	<i>Apply</i>
Rate-regulated activities	✓	✓	TBD		
Upcoming Discussion Papers:					
Principles of disclosure	✓	✓	✓	✓	✓
Upcoming Post-implementation reviews ('PIRs'):					
IFRS 10 (+IFRS 12)		✓	✓		
IFRS 11(+IFRS 12)		✓	✓		
IFRS 13	✓	✓			
Interpretations and maintenance	✓	✓	✓	✓	✓
Due process document, PIR or standard-setting activity likely					

21. The more disciplined approach introduced by having a formal research phase should allow more predictable planning from now on. Even so, we think that our capacity to take on more issues will be limited, given the number of topics already on our major projects work programme. We are also aware of the burden placed on stakeholders by their engaging in the public consultation required for each stage of our standard-setting due process. Equally, we are sensitive to our stakeholders' capacity to manage the changes that the application of new Standards will bring.
22. Consequently, we think that the 2015 Agenda Consultation process is constrained by both the capacity of the IASB to take on additional technical projects and by our stakeholders' ability to deal with the change that results from standard-setting activities.

Question 2 for the Advisory Council

We have spent some time considering how we can provide participants in the 2015 Agenda Consultation process with context about the scope of that consultation. How do you think we can best signal that our ability to consult is constrained by the current commitments in our work programme? We propose providing context by including the most recent published work programme of major projects, extrapolated over the consultation period, to show both periods of standard-setting activity and the timing of the activity needed by us and by our stakeholders to support the application of those new Standards (as illustrated above).

Do you have other suggestions about how we explain the constraints on the IASB's capacity and that of its stakeholders?

The IASB's current major projects work programme

23. The following table summarises the IASB's current work programme for major projects and post-implementation reviews ('PIRs'):

Major projects and PIRs	Status[*to be inserted in July]
<i>Conceptual Framework</i>	
Upcoming Standards	
Financial Instruments	
Insurance contracts	
Leases	
Revenue	
SME review	
Published Discussion Papers:	
Dynamic risk management	
Rate-regulated activities	
Upcoming Discussion Papers	
Principles of disclosure	
Upcoming PIRs:	
IFRS 10 (+IFRS 12)	
IFRS 11(+IFRS 12)	
IFRS 13	
NB At July the work plan is likely to contain an item relating to IFRS 5.	

Question 1 for respondents to the RFV:

What topics do you think should be added to the major projects work programme—and why?

Do you have any other comments on the IASB's current major projects work programme?

Question 3 for the Advisory Council

Do you think these are the right questions to ask about the IASB's current major projects work programme? Do you have any other comments or suggestions?

The IASB's research programme

The interplay of research with the work programme

24. The objective of the research programme is to assess perceived problems or deficiencies in IFRS requirements. In each case, the IASB assesses whether there is evidence that there is a problem, and whether it is likely that a cost-beneficial solution can be developed to fix the problem. The assessment provides the IASB with information about whether it should consider developing a specific proposal to amend the financial reporting requirements.
25. The research programme was established as a broad-based programme, with a relatively low threshold for adding projects. The emphasis is on identifying problems and on assessing potential cost-beneficial solutions. An initial list of possible research projects was discussed by the IASB at its meeting in May 2012, on the basis of the feedback received in the 2011-12 agenda consultation. At that meeting the IASB decided to initiate a research programme. Most of the projects now on the programme were added at that time.
26. A decision to progress to a standards-level project (ie move a project out of the research programme and develop an Exposure Draft) is taken after considering the evidence gathered during the research phase. Adding a standards-level project to the IASB's work programme is based on a higher hurdle than that applied to adding topics to the research programme. For new IFRSs, or major amendments to existing Standards, this step is normally after the IASB has published a Discussion Paper and considered the comments it received from that consultation.

Prioritising research projects

27. The research programme is a portfolio of projects. The IASB manages this portfolio by deciding how to balance large projects that have global impact; projects that affect a smaller number of jurisdictions; and projects that are more exploratory in nature. The balance of the portfolio is influenced by many and diverse factors, such as a need for a relative period of calm (by focusing on larger projects) or a decision to give greater emphasis to regional issues. The needs of investors are, of course, a key factor.
28. In deciding how to allocate and prioritise resources, the IASB considers:
- (a) the level of demand for the IASB to examine the issue;
 - (b) the probable impact of changing the financial reporting requirements;
 - (c) the speed with which the issue can be addressed; and
 - (d) the resources required to complete the possible project. Some projects demand substantial resources and develop quickly. Others develop slowly in the background, perhaps with the help of other standard-setters.
29. The following shows the published research programme as at 28 May, categorised by the progress made on each topic and the likely outcome, based on the work performed to date:

Nature of the projects and expected outcomes

Projects recently moved to Standards-level activities

These are projects for which the IASB has decided that there is a need to develop a proposal for new or revised accounting requirements. Normally the next step will be an exposure draft, but the IASB might decide to issue a DP or a Request for Information to help it develop the ED.

Rate-regulated activities

Some Standards-level activity is inevitable in this project. The form of that Standard-setting activity is not yet clear. It will result in either the withdrawal, amendment or replacement of the temporary Standard, IFRS 14 *Regulatory Deferral Accounts*. The IASB has decided that development of a second Discussion Paper would be the fastest way to progress the project.

Development stage projects

These are projects for which the IASB has decided warrant further investigation, but for which no decision has yet been made about whether a revised or new IFRS will be required.

Generally, the IASB will have established that there is a financial reporting problem. The main focus will be on assessing whether the IASB can identify a cost-beneficial solution.

The next step is likely to be the development of a Research or Discussion Paper, although they could be moved to the Standards Programme.

Accounting for Dynamic Risk Management: a Portfolio Revaluation Approach to Macro Hedging

The responses to the Discussion paper published in April 2014 highlighted that stakeholders have mixed views about how to progress the project. The IASB has tentatively decided to focus initially on the information needs of stakeholders concerning dynamic risk management activities and to prioritise the consideration of interest rate risk before considering other risks at a later stage in the project.

Disclosure Initiative

The Disclosure Initiative is a portfolio of projects being undertaken with the aim of improving the effectiveness of disclosures in financial reporting. The portfolio of projects includes both implementation and research projects.

Financial instruments with the characteristics of equity

The project is exploring improvements to the existing classification requirements of IAS 32 *Financial Instruments: Presentation* to address identified application problems. Our goal is to develop a Discussion Paper on this project.

Assessment phase projects

These projects are in the initial assessment phase. Staff are undertaking research to identify and assess practical application issues to understand if there is a financial reporting problem before determining what further action, if any, is needed.

The next step could be the development of a Research or Discussion Paper, or the staff may recommend that the IASB do no further work on the project.

Business combinations under common control (BCUCC)

The next due process document is likely to be a Discussion Paper.

The eventual outcome is likely to be an IFRS on BCUCC or an amendment to IFRS 3 *Business Combinations*. The project relates to a relatively narrow range of transactions for which the problem is well known.

Equity method of accounting

If we proceed to a short-term project, the next due process document is likely to be a Discussion Paper that explores how we could simplify the current requirements in IAS 28 *Investments in Associates and Joint Ventures* to address current practice issues.

Discount rates

Depending on the outcome of our research, we may publish an education-type document to help readers understand why different discount rates are used in different Standards. If we find any inconsistencies in IFRS requirements resulting from the use of different discount rates, this is likely to be addressed by narrow-scope amendments to individual Standards.

Performance reporting

This project has inter-linked issues with the Disclosure Initiative. A scope paper will be discussed in June this year setting out how we expect to develop this project.

Pollutant pricing mechanisms

We expect to start considering technical issues in Q2 2015, with a view to developing a Discussion Paper by the end of the year.

Post-employment benefits (including pensions)

The project is assessing whether we can develop a more general model for schemes that have some features of defined contribution schemes and some features of defined benefit schemes. That there is a problem has been clearly established. The issue is how to develop a cost-beneficial solution.

Provisions, Contingent Liabilities and Contingent Assets

The IASB has not yet decided what the output of this research project will be. The most helpful output might be a Discussion Paper that explains the perceived problems; identifies potential solutions; and invites views on the need for, and scope of, an active project to amend IAS 37.

Share-based payments

We expect the initial output to be a Research Paper, which will contain an overview and analysis of application issues. This would enable stakeholders to consider whether the IASB should do more on this subject.

Exploratory phase—longer-term exploratory thinking projects

These projects are looking at very large financial reporting issues. They lend themselves to assessing whether a fundamentally different approach to the financial reporting issue might be worthwhile.

Extractive activities/Intangible assets/R&D activities

This project is currently inactive. Depending on the feedback received from the 2015 Agenda Consultation, the IASB could give this topic a higher priority and begin an active project. Alternatively, the topic could be removed from the IASB work programme.

Income taxes

This is a thought leadership project. The first output will be at a relatively high level. This analysis, and the feedback we receive, should help the IASB assess whether it should embark on a fundamental review of the income taxes Standard or make targeted improvements to the existing requirements.

Post-implementation Review (PIR) follow-up work

These projects have been identified as a consequence of the post-implementation review of IFRS 3 *Business Combinations*. The next step has yet to be determined.

Business (definition of)

This issue was added to the research programme in February 2015. We have yet to assess how we will develop this project.

Goodwill

This issue was added to the research programme in February 2015. We have yet to assess how we will develop this project.

Completed work

The IASB has completed its initial assessments on these projects and has no current plans to undertake additional work. The IASB plans to remove these projects from the research programme, subject to feedback in the next agenda consultation.

Foreign currency translation

The initial assessment phase has already been completed. Unless something unexpected comes to our attention, this project is likely to be removed from the research programme.

High Inflation

The initial assessment phase has already been completed. Unless something unexpected comes to our attention, this project is likely to be removed from the research programme. In the interim, the Emerging Economies Group is being asked to assess the adequacy of disclosures when an entity is suffering from high inflation.

30. In assessing these projects, the IASB also tests each to ensure that the topic:
- (a) will fill an existing gap in IFRS;
 - (b) increase the relevance of IFRS; and / or
 - (c) support the consistent application of IFRS.

Question 2 for respondents to the RFV:

- (i) Taking into account the current status of each project, what priority would you ascribe to each topic on the research programme—and why?
- (ii) Are there any topics that you think should be added to the research programme—and why?
- (iii) Are there any topics that you think should be deleted from the research programme—and why?

Question 4 for the Advisory Council

Have you any comments on our articulation of how the research programme interplays with the IASB's work programme? What suggestions do you have for how we should address the research programme generally in this consultation process?

Do you think these are the right questions to ask about the IASB's research programme?

Do you have any other comments or suggestions?

The IASB's overall strategy

Structure and Effectiveness RFV

31. As noted in paragraph 6, the IFRS Foundation is currently consulting on our effectiveness and structure. In this process, the Trustees are consulting on three main areas:
- (a) relevance of IFRS;
 - (b) consistent application of IFRS;
 - (c) governance and financing of the IFRS Foundation.
32. The questions with respect to both relevance of IFRS and consistent application of IFRS are pertinent to any discussion of the IASB's agenda. These questions are summarised in the Structure and Effectiveness RFV as follows:

Relevance of IFRS

33. The Structure and Effectiveness RFV will ask respondents:
- (a) to consider whether the IASB should extend its remit beyond the current focus of the organisation, either in terms of the types of entity covered or the types of reporting;
 - (b) for views on the Foundation's strategy for the IFRS Taxonomy and to consider the impact of developments in technology on maintaining the relevance of IFRS;

Consistent application of IFRS

34. The Structure and Effectiveness RFV will also ask respondents to consider what more the Foundation could and should be doing to support the consistent application of IFRS.

Other aspects of the IASB's strategy

35. There are other aspects of the IASB's overall strategy, not covered in the Structure and Effectiveness RFV, on which we are seeking comments:
- (a) narrow-scope amendments;

- (b) the boundary of financial performance; and
- (c) the timing of the IASB's agenda consultation process.

Narrow-scope amendments

- 36. The views that the IASB received in the 2011-12 agenda consultation process suggested that it should give greater emphasis to maintaining the portfolio of existing IFRS requirements rather than creating new requirements. By maintenance, we mean interpretations, narrow scope improvements (including annual improvements) and education. Many of those respondents expressed a view that after a period dominated by joint projects focused on convergence, now is the time for the IASB, and the Interpretations Committee, to be more active in addressing matters related to the application of IFRS. The IASB has committed increased resources to both maintenance and education.
- 37. Maintenance of IFRS is now shared between the IASB and the Interpretations Committee. The IASB and the Trustees also completed a review of the Interpretations Committee at the beginning of 2011, in which similar messages were received. The Trustees worked with the IASB and the Interpretations Committee to develop revised agenda criteria for the Interpretations Committee that allow it to deal with a wider range of requests.
- 38. The Interpretations Committee was also given a wider range of methods to address implementation matters—including developing proposals to the IASB for targeted, narrow-scope amendments that are beyond the scope of the Annual Improvements process, or proposals for additional illustrative examples.
- 39. Some are now concerned, however, at the number of amendments made by the IASB to existing standards. Since publishing the first agenda consultation Feedback Statement in December 2012, the IASB has issued fourteen amendments, Interpretations or Annual Improvement cycles relating to twenty-one Standards.

The boundary of financial performance

- 40. Performance reporting was identified in the 2011-12 agenda consultation process as a topic that all categories of respondents, whether preparers, investors, regulators or the audit firms, thought should be addressed. Since then, many have

asked us what the boundaries would be between that project and non-IFRS information or alternative performance measures ('APMs'). Discussions about non-IFRS information are broader than merely covering APMs, and can also focus on whether information belongs in financial statements or in other reports. Decisions about the scope of information to be included in financial statements can have implications for whether information is audited and for where it is placed within an entity's package of general purpose financial reports.

The timing of the IASB's agenda consultation process

41. The time frame for developing and issuing Standards is a long one, incorporating as it does not only time for development of the relevant concepts and principles but also time for public consultation and due process. The stages required to develop a new Standard, using the evidence-based research approach, would include:
 - (a) initial analysis of the issue;
 - (b) a Request for Information—to gather factual evidence to help us understand the problem;
 - (c) a Discussion Paper—to confirm our understanding;
 - (d) an Exposure Draft—to consult publicly on our proposals; and
 - (e) redeliberations and issuance of the final IFRS.
42. Given the number of due process stages required before issuing a standard, some have suggested that consulting on the IASB's agenda every three years is unrealistic. In accordance with this view, five or even seven years would be a more realistic interval to have between agenda consultation cycles.
43. The Structure and Effectiveness RFV does not ask specific questions on these topics.

Question 3 for respondents to the RFV:

- (i) Do you think that the IASB has achieved the right balance in the level of narrow-scope amendments made to existing Standards?
- (ii) What is the boundary of financial performance reporting within the IASB's remit? What scope should we ascribe to the performance reporting project?
- (iii) Is a three-yearly agenda consultation process a suitable review methodology for the IASB's activities, given our due process requirements and the length of time required to complete individual standards-level projects?

Question 5 for the Advisory Council

Do you think that we should extend the range of questions asked in the RFV to include broader questions? Such as:

- (a) whether we have got the right balance in the level of narrow-scope amendments made to existing Standards?
- (b) what is the boundary of financial performance reporting within the IASB's remit and what scope should be ascribed to that project?
- (c) whether a three-yearly agenda consultation process is a suitable review methodology for the IASB's activities, given our due process requirements and the length of time required to complete individual standards-level projects?

Question 6 for the Advisory Council

At the time of the 2011-12 agenda consultation we received a very clear message that our stakeholders found implementing changes to financial reporting requirements burdensome. We also received a clear message that we should focus on maintaining and improving our existing Standards. That process will necessarily require changes to IFRS.

We are currently considering what we can do to reduce the burden that changes to financial reporting requirements place on stakeholders of all types. We think that if all changes were required to be made at the same time, that would limit the time frame that would be affected by those changes. On that basis, we think that the bundling of effective dates when changes are made to our Standards would ease the change management burden on stakeholders. Bundled effective dates would also reduce the complexity of making the transition to new guidance when those amendments interact with changes made to other Standards.

Should we present the tension between the need for change and aversion to change as a point for discussion in the RFV? If so, how should we position this discussion—as a request for views or as a request for ways in which our processes could be developed to make change easier to undertake?

Question 7 for the Advisory Council

Do you think these are the right questions to ask about the IASB's current work programme? Do you have any other comments or suggestions?