

# AGENDA PAPER

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TOPIC	Technical Activities - Update	
PRESENTERS	Hugh Shields	
CONTACT	<a href="mailto:hshields@ifrs.org">hshields@ifrs.org</a>	

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.

## Purpose

1. The report provides the IFRS Advisory Council with an update on the standard-setting activities of the IASB since our last meeting in February 2015.

## Overview

2. Since the Technical Activities—Update report in February 2015 the IASB has focused on:
  - (a) the completion of the *Conceptual Framework for Financial Reporting Exposure Draft (ED)* which was published on 28 May 2015;
  - (b) reviewing matters arising from the Transition Resource Group for Revenue Recognition (TRG), including the publication of an ED proposing a one-year deferral of the effective date of IFRS 15 *Revenue from Contracts with Customers* to 1 January 2018; and
  - (c) redeliberations of the *Insurance Contracts ED* published in June 2013.
3. The IASB issued the amendments to the *IFRS for SMEs* on 21 May 2015.
4. A copy of the work plan as at 27 May 2015 is set out in Appendix A of this paper.

## Major projects

### **IFRS for SMEs—Comprehensive Review 2012–2014**

5. In May 2015 the IASB issued *2015 Amendments to the IFRS for SMEs*— this completes the IASB’s first comprehensive review of the Standard.
6. Following the feedback received and taking into account the fact that the *IFRS for SMEs* is still a relatively new Standard, the IASB has made limited amendments to the *IFRS for*

*SMEs*. The most significant amendments are:

- (a) permitting the use of a revaluation model for property, plant and equipment; and
  - (b) aligning the main recognition and measurement requirements for income tax with IFRS.
7. Most of the other amendments clarify existing requirements or add supporting guidance rather than change the underlying requirements in the *IFRS for SMEs*. The amendments are expected to improve understanding of the existing requirements and thereby improve financial statements prepared in accordance with the *IFRS for SMEs*.
8. The amendments are effective for annual periods beginning on or after 1 January 2017. Earlier application is permitted.

## **Leases**

9. Leases is a joint project with the US Financial Accounting Standards Board (FASB), and the two Boards have now finalised the redeliberations.
10. In Quarter 1 of 2015, the IASB made tentative decisions on the disclosure requirements that accompany the lessee accounting model and on transition requirements. The IASB has tentatively decided to provide substantive cost relief on transition to the new *Leases* Standard by giving entities a choice of transition methods, one of which does not involve the restatement of comparative financial information.
11. In March 2015, the IASB also considered the due process steps and concluded that it had completed all of the mandatory and optional due process steps required. The IASB instructed the staff to proceed to drafting and balloting. The IASB will decide upon the effective date at a future meeting when the drafting of the new Leases Standard is close to being ready for balloting.
12. It is anticipated that the Standard will be issued in Quarter 4 of 2015.

## **The Conceptual Framework**

13. The IASB published the Exposure Draft *Conceptual Framework for Financial Reporting* (the *Conceptual Framework*) on 28 May 2015.
14. The *Conceptual Framework* sets out the concepts that underlie the preparation and presentation of financial statements. It is not a Standard or Interpretation and does not override any specific Standard or Interpretation. However, it identifies principles for the IASB to use when it develops and revises its Standards. It is also used by preparers to develop and select accounting policies and by all parties to understand and interpret the Standards.
15. The IASB's original intention was not to fundamentally reconsider the Objective and Qualitative Characteristics chapters of the *Conceptual Framework*, which were published in 2010 as part of a joint project with the US Financial Accounting Standards Board (FASB). However, respondents were asked for comments on this approach, and many expressed the view that we should reconsider at least some aspects of those chapters (in

particular, the treatment of prudence, stewardship, substance over form and reliability). Meetings were held with a number of investors to get a better understanding of their concerns and the IASB has decided to:

- (a) reintroduce an explicit reference to the notion of prudence (described as ‘caution under conditions of uncertainty’) into the *Conceptual Framework*;
  - (b) give more prominence to stewardship within the description of the overall objective of financial reporting; and
  - (c) clarify that a faithful representation represents the substance of an economic phenomenon rather than merely representing its legal form.
16. The IASB does not propose to reinstate the term ‘reliability’ to describe one of the two fundamental qualitative characteristics of useful financial information. This is because the IASB believes that the proposals in the ED address most of the concerns expressed by constituents about the use of the term ‘faithful representation’ rather than ‘reliability’.
17. The ED is open for comment for a period of 150 days.

### **Insurance Contracts**

18. The IASB has continued to redeliberate the proposals set out in the revised ED *Insurance Contracts*, published in June 2013. The IASB received 194 comment letters, and undertook extensive outreach and detailed field-testing of the operability of the proposals set out in the June 2013 ED. The feedback received suggested broad support for the principle of current value measurement of insurance contracts. However, there were also significant areas of disagreement, in particular about performance reporting, and concerns about excessive complexity.
19. During redeliberations, the IASB has maintained an extensive dialogue with all interested parties and continues to consult its advisory bodies. The IASB has engaged extensively with preparers and other interested parties, in particular in Canada, Europe, Japan and Korea. The IASB has also sought regular advice from the ASAF.
20. As previously reported the IASB has largely concluded its tentative decisions relating to non-participating contracts. The IASB also made tentative decisions on some specific issues that were highlighted in the feedback to the June 2013 ED but that were not targeted for input. The direction that the IASB took in all these decisions was largely consistent with the feedback that it had heard on the June 2013 ED.
21. During 2015 the IASB continued to consider the accounting model for contracts with participating features, which was one of the most difficult and contentious of the specific aspects on which the IASB sought feedback. The IASB began to consider the models that the staff have developed in March 2015 and expects to continue to develop the proposals during Quarter 2 of 2015.
22. As a consequence of the complexity of the issues relating to contracts with participating features, the IASB has decided to extend its original timetable to allow it to consider the issues in detail, and to engage further with interested parties.

### ***Relationship with IFRS 9***

23. The IASB noted that entities that issue insurance contracts will be significantly affected by both the new insurance contracts standard and IFRS 9 *Financial Instruments*. Furthermore, the IASB noted that its decision to extend its original timetable for the insurance contracts standard means that the mandatory effective date of the new insurance contracts Standard will be after 1 January 2018, the mandatory effective date of IFRS 9.
24. At its May 2015 meeting, the IASB received an update on developments relating to the interaction between IFRS 9 and the insurance contracts project. The IASB noted that, on 4 May 2015, the European Financial Reporting Advisory Group (EFRAG) issued a draft endorsement advice (DEA) for the use of IFRS 9 in the European Union (EU). The draft DEA sets out EFRAG's conclusion that IFRS 9 satisfies the endorsement criteria and is conducive to the European public good and recommends IFRS 9 for endorsement without further delay. However, EFRAG also seeks views on a proposal to advise that the European Commission ask the IASB to defer the effective date of IFRS 9 for insurance businesses and align its effective date with that of the new insurance contracts Standard. The EFRAG noted this preliminary view would be subject to further insights and evidence from the European insurance industry. EFRAG's draft endorsement advice is open for comment until 30 June 2015.
25. In other jurisdictions that apply IFRS, implementation of IFRS 9 is already under way and these jurisdictions have not requested a deferral of IFRS 9. On the contrary some jurisdictions have asked that any deferral of IFRS 9 be optional, pointing out that stakeholders in their jurisdictions have already started implementing IFRS 9 or have applied the Standard early, including entities that issue insurance contracts.
26. The IASB is monitoring the developments in the EU and awaiting further evidence and insights from the insurance industry which would enable us to fully evaluate the concerns raised, in particular the overall effect of IFRS 9 on financial reporting by insurers in combination with existing IFRS 4 *Insurance Contracts*. Such evidence would enable us to determine whether and how to best address concerns raised.
27. The IASB is concerned that any deferral of IFRS 9 for entities that issue insurance contracts would be technically complex and require extensive analysis and due process. Furthermore, any such deferral would impair comparability, create confusion for users of financial statements and delay the application of improved accounting for financial instruments. We believe that the improved accounting for financial instruments, including the new impairment model, would provide more useful information for all entities that are large investors in financial instruments, including entities that issue insurance contracts.

### **Disclosure Initiative**

28. The Disclosure Initiative is a portfolio of projects being undertaken with the aim of improving the effectiveness of disclosures in financial reporting. The work is informed by a Discussion Forum that was held in January 2013, and by a related survey on Financial Reporting Disclosure. A Feedback Statement on these events was published in May 2013.
29. As part of its implementation activities, the IASB has issued narrow-scope amendments to IAS 1 *Presentation of Financial Statements*. It has also proposed narrow-scope

amendments to IAS 7 *Statement of Cash Flows* and has tentatively decided to propose narrow-scope amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

***Disclosures about debt and cash***

30. The IASB has published an ED of narrow-focused amendments to IAS 7. The ED aims to respond to investors' requests for better information about changes in an entity's debt, including non-cash movements. It also seeks to improve disclosures about restrictions on cash and cash equivalents. We had held a number of outreach meetings with investors to understand if these proposals would meet investors' informational needs.

***Changes in accounting policies and estimates***

31. At its meeting in May 2015 the IASB tentatively decided to develop proposals clarifying the distinction between a change in an accounting policy and a change in an accounting estimate. These proposals are expected to result in narrow-scope amendments to IAS 8 and an ED is planned for Quarter 4 of 2015.

***Materiality***

32. The IASB has tentatively decided to publish an ED of a Practice Statement on the application of materiality.
33. The IASB is aware of the sensitivity of this topic because, in some jurisdictions, materiality is considered to be the responsibility of the securities regulator and the courts. The IASB has, however, conducted outreach with national and regional standard-setters regarding local guidance and practice on the application of materiality.
34. The IASB expects to publish the ED in Quarter 3 for a comment period of 120 days.

***Principles of Disclosure—review of IAS 1, IAS 7 and IAS 8***

35. This project is the cornerstone of the Disclosure Initiative. Its objective is to improve disclosures in financial statements by identifying and developing a set of principles for disclosure in IFRS. The project's aim is to set the basis for replacing the disclosure requirements in IAS 1, IAS 7 and IAS 8. The project may also affect the review of disclosure requirements and guidance in other Standards.
36. The IASB agreed the scope of the project in April 2014 and has discussed the project regularly during 2014. Advice on specific topics has been sought from the ASAF, GPF and the CMAC. The staff have also conducted a variety of meetings and conference calls with constituents on specific topics in preparing papers for the IASB meetings, including the International Organization of Securities Commissions (IOSCO); the European Securities and Markets Authority (ESMA) about the disclosure of non-IFRS financial information; and investors and users of financial statements.

***Standards level review of disclosures***

37. This research project responds to concerns that the way in which disclosure requirements in Standards are written contributes to the 'disclosure problem'. The disclosure problem is described in more detail in the Feedback statement on the [\*Discussion Forum – Financial\*](#)

Reporting Disclosure.

38. To address these concerns, the IASB is planning to develop a set of principles in the form of a drafting guide for the IASB's internal use when developing disclosure requirements in new or amended Standards. The IASB then plans to use these principles to review disclosures in existing Standards to identify targeted improvements with particular focus on duplication and inconsistency of requirements.

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

39. The IASB published a DP *Accounting for Dynamic Risk Management: a Portfolio Revaluation Approach to Macro Hedging* in April 2014.
40. Although the IASB received support from constituents for addressing the issue of accounting for dynamic risk management, there is significant divergence in views between users and preparers in general on the merits of the new approach. There is also a difference in views on what should be the overall objective of the project.
41. The IASB commenced discussions about next steps in the project at its meeting in May 2015. It acknowledged that any solution would need to consider the information needs of constituents concerning dynamic risk management activities, and that its approach should consider disclosures, recognition and measurement to arrive at a consistent set of proposals to address those needs. Accordingly, the IASB decided that it would first consider how the information needs of constituents concerning dynamic risk management activities could be addressed through disclosures before considering those areas that need to be addressed through recognition and measurement.
42. The IASB also decided to prioritise the consideration of interest rate risk and consider other risks at a later stage in the project.

**Rate-regulated Activities**

43. The IASB published a DP *Reporting the Financial Effects of Rate Regulation* in September 2014. The DP describes a type of rate regulation that contains elements of both cost recovery and incentive approaches. This type of rate regulation is termed 'defined rate regulation'. The DP sought comments on whether the distinguishing features of defined rate regulation, as identified by the IASB, sufficiently capture the type(s) of rate regulation that have the most significant financial effects.
44. The initial review of the feedback received from outreach and comment letters suggests strong support for recognising at least some regulatory deferral account balances. A common suggestion made is to explore an approach based on the principles in IFRS 15 *Revenue from Contracts with Customers*, focusing on the entity's rights and obligations relating to its customers as a whole (the customer base), instead of on individual customer contracts.
45. The IASB commenced discussions about next steps in the project at its meeting in May 2015. The IASB decided that it should undertake standard-setting activity to address the issues identified in this project, but that the form of that standard-setting activity would

become apparent as the project progresses. It will result in either the withdrawal or replacement of the temporary Standard, IFRS 14 *Regulatory Deferral Accounts*. The IASB also decided that development of a second DP would be the fastest way to progress the project.

## Research projects

46. The classification of research projects on IASB work plan (see appendix A) has been updated to reflect the project's stage of development. For ease we have summarised the classifications in the following table:

<b>Development phase</b>	The IASB has completed its initial assessment and is developing a Discussion Paper or other Consultation Document.
<b>Assessment phase</b>	These projects are assessing possible practice issues to understand if there is a financial reporting problem and, if so, how to address it.
<b>Exploratory phase</b>	These projects are long-term projects exploring broad issues.
<b>PIR follow-up work</b>	These projects have been identified as a consequence of the post-implementation review of IFRS 3 <i>Business Combinations</i> .
<b>Completed work</b>	The IASB has completed its initial assessments on these projects and has no current plans to undertake additional work. It plans to remove these projects from the research programme, subject to feedback in the next agenda consultation.

### Development phase projects

47. **Dynamic Risk Management and Disclosure Initiative-Principles of Disclosure** are development phase research projects.
48. Work on the **Financial Instruments with the Characteristics of Equity** project is linked to the Conceptual Framework project. The project is exploring improvements to the existing classification requirements of IAS 32 *Financial Instruments: Presentation* to ensure that the underlying principles are robust enough to deal with instruments that are causing problems. The project will also explore other tools to address some of those problems such as additional presentation and disclosure requirements within liabilities and within equity.

### Assessment phase projects

49. We have been working on **Business Combinations under Common Control** project. There is particular interest from IOSCO and the Emerging Economies Group in this project. We have undertaken outreach with regulators, preparers, investors and auditors on the best way to approach this project.
50. The objective of the **Discount Rates** project is to identify why different rates are required and consider consistency across Standards. The IASB staff discussed the initial findings with the Emerging Economies Group in May 2015 and will discuss them with ASAF and the IAAB in July 2015.
51. The **equity method of accounting** is a major source of interpretation requests. In March 2015 we sought the views of ASAF on whether to divide the Equity method of Accounting project into two phases; ASAF members had mixed views on the proposal. The staff will

make a proposal to the IASB in June 2015 on how to proceed with this project taking into consideration the feedback from ASAF.

52. A project on **Performance Reporting** was added to the research programme at the July 2014 IASB meeting. The scope of this project was discussed at the CMAC meeting in February 2015 and at the GPF meeting in March 2015. Following consultation with these groups we aim to discuss the scope of this project with the IASB in June 2015. The project scope will need to carefully balance the work being undertaken in the Principles of Disclosure project and work previously undertaken in the Financial Statement Presentation project.
53. The **Pollutant Pricing Mechanisms**' (formerly Emissions Trading Schemes) project was suspended in 2010. At that time the IASB had undertaken a lot of work to document and analyse schemes. That work is being updated at present. In addition, work has started with the International Public Sector Accounting Standards Board (IPSASB) and other standard-setters on background material.
54. In Quarter 1 of 2015, the IASB tentatively agreed to:
  - (a) set a broad scope for the project, in order to consider the accounting for a variety of schemes that use tradable emission allowances and other financial tools to manage the emission of pollutants; and
  - (b) establish the overall financial impact of such schemes before looking afresh at how to account for the combination of components that arise in them.
55. Work on a project to review the accounting for **Post-employment Benefits** (including pensions) is progressing well. The IASB has started to consider papers setting out the main issues to be considered, and we have begun seeking input from our consultative groups, including ASAF in December 2014.
56. A project to amend IAS 37 **Provisions, Contingent Liabilities and Contingent Assets** (formerly the 'Liabilities' project) was suspended in 2010. Some preliminary work has begun to assess the implications of the IASB decisions on the *Conceptual Framework*. Concurrently, we have been collecting more detailed data about how IAS 37 is being applied as well as data about practice problems that have been relayed to the IFRS Interpretations Committee. We are planning to discuss the project with the CMAC and GPF in June 2015 and ASAF in July 2015 and to hold an education session with the IASB in June 2015.
57. We have allocated staff to work on developing plans for **Share-based Payments**. IFRS 2 *Share-based Payments* is a frequent source of interpretation requests. The project will help inform the next Agenda Consultation by initially assessing whether the application issues that most often generate interpretation requests can be addressed. The IASB discussed the approach to the project at its meeting in May 2015.

### **Exploratory phase projects**

58. Work on developing plans for **Extractive Activities/Intangible Assets/Research and Development Activities** will start once staff become available.
59. We have started to plan the scope for a project on **Income Taxes**. The project is staffed



by our Asia-Oceania office, working closely with the London staff. As part of our consultations with investors, the project was discussed with CMAC at its meeting in February 2015.

### **Post-implementation Review – follow-up work**

60. At its meeting in February 2015 the IASB decided to add two projects to its research agenda in response to the findings from the Post-implementation Review (PIR) of IFRS 3 *Business Combinations*. One project will consider the **Definition of a Business**; another project will consider the financial reporting requirements for **Goodwill**, both on initial recognition and subsequently. This project will include consideration of the relationship between separately recognised intangible assets and goodwill, and between systematic amortisation and impairment testing for goodwill. This project will also explore potential improvements to the impairment test for non-financial assets, including goodwill. The IASB will consider the approach to these project in Quarter 3 of 2015

### **Completed work**

61. The IASB considered a paper on **foreign currency** at its October 2014 meeting—relating to a request made to the IASB by the Korea Accounting Standards Board (KASB). The IASB decided not to prioritise the broader work on foreign currency translation but encouraged the KASB and other standard-setters to provide further information on problematic issues to inform the 2015 Agenda Consultation.
62. The IASB considered a paper, at its meeting in April 2015, which reviewed the request of the Group of Latin American Standard-Setters (GLASS) to lower the inflation threshold in IAS 29 *Financial Reporting in Hyperinflationary Economies*. The IASB did not support the ASAF's recommendation and decided that it would not propose lowering the inflation threshold in IAS 29. It also decided that it would not do any work on developing an alternative to IAS 29 or on a Standard that addresses inflation more generally. The project will remain on the research programme to enable interested parties to comment on these decisions in the Agenda Consultation.
63. The IASB invited its Emerging Economies Group (EEG) to develop a paper on enhancing disclosures in inflationary environments. EEG members (Argentina and Mexico) have accepted this invitation and will develop a paper in the coming months.

### **PIR of IFRS 3 *Business Combinations***

64. The IASB expects to issue the Feedback Statement on the PIR of IFRS 3 in Quarter 2. The outcome of the review is discussed in paragraph 60 above.

### **IFRS Taxonomy™**

65. The IASB is holding two trials to assess the staff proposals to amend the IFRS Taxonomy due process.
66. The first trial relates the due process for IFRS Taxonomy content reflecting new or amended Standards. The ED *Disclosure Initiative (Amendments to IAS 7)*, includes the Proposed IFRS Taxonomy Update as accompanying material that has been reviewed and approved by the IASB. The Invitation to Comment incorporates IFRS Taxonomy due

process-related questions. The staff will present the Analysis of Comments to members of the IASB at their June Board meeting. Initial indications are that there is little support for the proposal to publish an IFRS Taxonomy Update at the same time as, and in the form of accompanying material to, an Exposure Draft.

67. The second trial relates to the review by the IASB of proposed taxonomy changes for 2014 common practice additions and the initiation of a new common practice project. Members of the IASB hold the view that peer review, rather than IASB approval, is the most appropriate process to be followed. A panel consisting of at least three designated members of the IASB will review the proposed common practice taxonomy elements to affirm compliance with IFRS. This IASB review panel will also be responsible for the review of a new common practice project to provide strategic oversight and direction.

## Implementation

### Revenue Transition Resource Group

68. Since the last Council meeting, the IASB and the FASB's Revenue Transition Resource Group (TRG) has held its fourth meeting to consider potential questions arising on implementation of the new revenue recognition Standard, IFRS 15 *Revenue from Contracts with Customers* and its US equivalent. The TRG discussions to date have highlighted that for many of the questions considered, constituents should be able to understand and apply the principles and guidance in the new Standard. We are now encouraging constituents to submit any remaining questions as soon as possible. The next meeting of the TRG is scheduled for 13 July 2015.
69. Over the last few months, the IASB and FASB discussed the five topics emerging from the TRG discussions that were identified as requiring consideration by the Boards. The IASB has tentatively decided to proposed limited and targeted amendments to clarify the application guidance for licences of intellectual property and principal versus agent considerations. It also decided to add further examples illustrating particular aspects of identifying performance obligations. The FASB has to date decided to make more extensive amendments to the Standard on licences and performance obligations and also to make amendments to clarify the guidance on measuring non-cash consideration and collectability. Both Boards have decided to add a practical expedient to ease the process of making the transition to the new Standard for particular contracts. The FASB has also decided to add a practical expedient for sales taxes.
70. The IASB plans to propose all of the above clarifications and practical expedients in a single ED, which it expects to approve at its June 2015 meeting.
71. In the light of this ED, the IASB decided at its April meeting to publish an Exposure Draft proposing a one-year deferral of the effective date of IFRS 15 to 1 January 2018 (early application would still be permitted). In reaching this decision, the IASB was also mindful that the FASB decided to propose a one-year deferral of the effective date of its revenue standard for public companies to 2018, with application in 2017 permitted.<sup>1</sup> At its July

<sup>1</sup> With a similar proposed deferral of the effective date for privately held companies from 2018 to 2019.

2015 meeting, the IASB intends to consider the feedback on its Exposure Draft *Effective Date of IFRS 15* and decide whether to proceed with an amendment to IFRS 15 regarding the effective date.

### **Impairment of Financial Instruments Transition Resource Group for (ITG)**

72. Since the last Council meeting, the ITG has held its first meeting in London. Eight submissions pertaining to the new impairment requirements set out in IFRS 9 were discussed at the meeting.
73. The ITG discussions highlighted that for many of the submissions constituents agree on how the new impairment requirements should be applied. None of the submissions discussed at the meeting were referred to the IASB. The discussions did identify certain implementation challenges regarding specific aspects of the impairment requirements, which are likely to be discussed at a future meeting.
74. The next meeting of the ITG is scheduled for the 16 September 2015.

### **IFRS Interpretations Committee**

#### ***Draft IFRIC Interpretation – Uncertainties in income taxes***

75. The IFRS Interpretations Committee has tentatively decided to publish a draft Interpretation of IAS 12 *Income Taxes* on the accounting for uncertainties in income tax. The draft Interpretation will aim to address diversity in practice for recognition and measurement of a tax liability or asset when there is uncertainty in the application of the tax law.

### **Implementation projects**

76. A summary of the implementation projects is set out in the following table.

<b>Project</b>	<b>Objective</b>	<b>Status</b>
<b>Annual Improvements to IFRS 2014–2016 Cycle</b>	The IASB has adopted the Annual Improvements process to deal efficiently with a collection of narrow-scope amendments to IFRS, even though the amendments are unrelated.	Publication of ED in Q3 of 2015.
<b>Clarifications of Classifications of Share-based Payment Transactions – IFRS 2</b> <i>(Closed for comment 25 March 2015)</i>	The IASB proposes three amendments to IFRS 2: (a) measurement of cash-settled share-based payment transactions that include a performance condition; (b) modification of a share-based payment from cash-settled to equity-settled; and (c) share-based payments settled net of tax withholdings.	The IASB redeliberations are ongoing.

Project	Objective	Status
<b>Clarifications to IFRS 15 Revenue from Contracts with Customers: Issues emerging from Transition Resource Group</b>	This ED will include clarifications from the TRG meetings that the IASB considers necessary, see paragraph 69.	The IASB deliberations are ongoing.
<b>Classification of liabilities</b>  IAS 1 <i>Presentation of Financial Statements</i>  <i>(Open for comment until 10 June 2015)</i>	The objective of this project is to clarify when rights to defer settlement affect the classification of liabilities.	ED published 10 February 2015.
<b>Disclosure Initiative:</b>  Proposed amendments to IAS 7 <i>Statement of Cash Flows</i>  <i>(Closed for comment 17 April 2015)</i>	The proposed amendments are designed to improve: <ul style="list-style-type: none"> <li>(a) information provided to users of financial statements about an entity's financing activities, excluding equity items; and</li> <li>(b) disclosures that help users of financial statements to understand the liquidity of an entity.</li> </ul>	The IASB to consider comment letter summary in Quarter 2 of 2015.
<b>Elimination of gains or losses arising from transactions between an entity and its associate or joint venture.</b>  IAS 28 <i>Investments in Associates and Joint Ventures</i>	The objective of this project is to clarify <ul style="list-style-type: none"> <li>(a) the accounting for a 'downstream' transaction between an entity and its associate or joint venture, when the gain from the transaction exceeds the carrying amount of the entity's interest in the associate or joint venture;</li> <li>(b) how an entity accounts for a contribution to its associate or joint venture when the entity receives assets in addition to receiving an equity interest; and</li> <li>(c) that the partial elimination of a gain arising from a transaction with an associate or joint venture that results in the loss of control of a subsidiary is excluded from the calculation of goodwill/negative goodwill on commencement of equity method of accounting.</li> </ul>	The IASB staff will propose that this project is transferred to the equity method of accounting research project.

Project	Objective	Status
<p><b>Fair Value Measurement: Unit of Account</b></p> <p><i>IFRS 13 Fair Value Measurement</i></p> <p><i>(Closed for 16 January 2015)</i></p>	<p>To clarify the unit of account for equity investments in subsidiaries, associates and joint ventures and their corresponding fair value measurement.</p> <p>The ED also included a proposed illustrative example to IFRS 13 to illustrate the application of the portfolio exception of that Standard.</p>	<p>The IASB decided at its meeting in April 2015 that the proposed illustrative example to IFRS 13 in the ED appropriately illustrates the application of the portfolio exception of that Standard.</p> <p>In addition, the IASB decided that a separate publication of the proposed illustrative example in IFRS 13 was not required because it is non-authoritative in nature and the comments received did not reveal significant diversity in practice.</p>
<p><b>Recognition of Deferred Tax Assets for Unrealised Losses</b></p> <p><i>IAS 12 Income Taxes</i></p> <p><i>(Closed for 18 December 2014)</i></p>	<p>To clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value.</p>	<p>The IASB deliberations are ongoing.</p>
<p><b>Remeasurement at a plan amendment, curtailment or settlement</b></p> <p><i>IAS 19 Employee Benefits</i></p>	<p>To clarify:</p> <ul style="list-style-type: none"> <li>(a) The availability of a refund of a surplus from a defined benefit plan when an independent trustee has a unilateral power.</li> <li>(b) Remeasurement at a plan amendment, curtailment or settlement.</li> </ul>	<p>Publication of ED in Q2 of 2015.</p>
<p><b>Transfers of investment property</b></p> <p><i>IAS 40 Investment Property</i></p>	<p>This narrow scope amendment will propose to bring the guidance on transfers of investment property more in line with the principle for classification of investment property.</p>	<p>Publication of ED in Q3 of 2015.</p>

## Appendix A—IASB Work plan as at 27 May 2015

	2015 Q2	2015 Q3	2015 Q4	2016 Q1
<b>Upcoming Standards</b>				
<b>Insurance Contracts</b>	Redeliberations			
<b>Leases</b>			Target IFRS	
<b>Upcoming Exposure Drafts</b>				
<b>Conceptual Framework</b>	Target ED			
<b>Disclosure Initiative – Changes in accounting policies and estimates</b>			Target ED	
<b>Disclosure Initiative – Materiality Practice Statement</b>		Target ED		
<b>Published Discussion Papers</b>				
<b>Accounting for Dynamic Risk Management: A Portfolio Revaluation Approach to Macro Hedging</b>	Redeliberations			
<b>Rate-regulated Activities</b>	Board discussions			
<b>Upcoming Discussion Papers</b>				
<b>Disclosure Initiative - Principles of disclosure</b>			Target DP	

The Disclosure Initiative is a portfolio of Implementation and Research projects.

## Appendix A—IASB Work plan as at 27 May 2014

### Implementation projects

Next major project milestone

Narrow-scope amendments	2015 Q2	2015 Q3	2015 Q4	2016 Q1
<b>Annual Improvements 2014-2016</b>		Target ED		
<b>Clarifications of Classification and Measurement of Share-based Payment Transactions</b> (Proposed amendment to IFRS 2)		Redeliberations		
<b>Clarifications to IFRS 15 Revenue from Contracts with Customers: issues emerging from TRG discussions</b>		Target ED		
<b>Classification of liabilities</b> (Proposed amendment to IAS 1)		Redeliberations		
<b>Disclosure initiative</b>				
<b>Amendments to IAS 7</b> [Comment period ended 17 Apr 2015]	Redeliberations			
<b>Elimination of gains or losses arising from transactions between an entity and its associate or joint venture</b> (Proposed amendments to IFRS 10 and IAS 28)	Target ED			
<b>Fair Value Measurement: Unit of Account</b>	Redeliberations			
<b>Recognition of Deferred Tax Assets for Unrealised Losses</b> (Proposed amendments to IAS 12)	Redeliberations			
<b>Remeasurement at a plan amendment, curtailment or settlement/ Availability of a refund of a surplus from a defined benefit plan</b> (Proposed amendments to IAS 19 and IFRIC 14)	Target ED			
<b>Transfers of investment property</b> (Proposed amendments to IAS 40)		Target ED		

Interpretations	2015 Q2	2015 Q3	2015 Q4	2016 Q1
<b>Draft IFRIC Interpretation –Uncertainties in income taxes</b>		Target draft Interpretation		

Post-implementation Reviews	2015 Q2	2015 Q3	2015 Q4	2016 Q1
<b>IFRS 3 Business Combinations</b>	Target Feedback Statement			

### Conceptual Framework

	2015 Q2	2015 Q3	2015 Q4	2016 Q1
<b>Conceptual Framework</b>	Target ED			

## Appendix A—IASB Work plan as at 27 May 2015

### Research projects

Next major project milestone

<b>Development phase</b>	The IASB has completed its initial assessment and is developing a Discussion Paper.
<b>Disclosure initiative</b>	This initiative comprises several active projects. See also <b>Major Projects</b> .
<b>Financial instruments with characteristics of equity</b>	IASB discussions are planned for 2015 with the next step likely to be a DP.
<b>Assessment phase</b>	These projects are assessing possible practice issues to understand if there is a financial reporting problem and, if so, how to address it.
<b>Business combinations under common control</b>	IASB discussions are planned for 2015 with the next step likely to be a DP in 2016.
<b>Discount rates</b>	IASB discussions are planned for 2015 with the next step likely to be a Research Paper.
<b>Equity method of accounting</b>	IASB discussions are planned for 2015 with the next step likely to be a DP in 2016.
<b>Performance Reporting</b>	IASB discussions are planned for 2015 with the next step likely to be a DP.
<b>Pollutant Pricing Mechanisms</b>	IASB discussions are planned for 2015 with the next step likely to be a DP.
<b>Post-employment benefits (including pensions)</b>	IASB discussions are planned for 2015 with the next step likely to be a DP.
<b>Provisions, Contingent Liabilities and Contingent Assets</b>	IASB discussions are planned for 2015. The next steps are pending developments in the <i>Conceptual Framework</i> project.
<b>Share-based payments</b>	IASB discussions are planned for 2015 with the next step likely to be a Research Paper.
<b>Exploratory phase</b>	These projects are long-term projects exploring broad issues.
<b>Extractive activities / Intangible assets / R&amp;D activities</b>	The IASB is not currently working on this topic.
<b>Income taxes</b>	Discussions are expected during 2015 with a DP in 2016.
<b>PIR follow-up work</b>	These projects have been identified as a consequence of the post-implementation review of IFRS 3 <i>Business Combinations</i> . The next step has yet to be determined.
<b>Business (definition of)</b>	IASB discussions are planned for 2015.
<b>Goodwill</b>	IASB discussions are planned for 2015.
<b>Completed work</b>	The IASB has completed its initial assessments on these projects and has no current plans to undertake additional work. It plans to remove these projects from the research programme, subject to feedback in the next agenda consultation.
<b>Foreign currency translation</b>	
<b>High Inflation</b>	