

# AGENDA PAPER

IFRS Foundation Trustees meeting – Due Process Oversight Committee

BEIJING

13 OCTOBER 2015

Agenda ref 3F

PRESENTERS HENRY REES/DAVID LOWETH

## Consultative Groups: update

### Introduction

1. The purpose of this paper is to provide updates on the activities of the IASB's advisory and consultative bodies. The paper is primarily for information, but any questions and/or comments from Committee members would be welcome.

### Consultative Groups updates

2. Since the DPOC meeting in June 2015, a number of groups have met and/or will meet in the near future as summarised below.

#### *IFRS Advisory Council*

3. A meeting of the Advisory Council took place on 9-10 June. 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 2 July<sup>1</sup>. As usual, David Loweth attended most of the Council meeting and supports the conclusion made by Joanna in her report that: "Overall the Council were able to provide valuable strategic advice both to the IASB and to the Trustees".
4. The next meeting of the Advisory Council takes place on 2-3 November. One of the main items on the agenda will be the Council's consideration of the issues and questions in the Trustees' Request for Views (RfV) consultation document on the review of structure and effectiveness.

#### *Accounting Standards Advisory Forum (ASAF)*

5. Since June, a meeting of ASAF was held on 16-17 July, with a further meeting taking place on 1-2 October. Highlights from the October meeting will be reported orally to the DPOC. The meeting in July was the first to be held with the revised membership of ASAF following the two-year review of the group. The view from the IASB and technical staff (as well as ASAF members) is that the meeting went well, with the new members making constructive contributions.

<sup>1</sup> Joanna's Perry's report is also available on the website at:  
<http://www.ifrs.org/Meetings/MeetingDocs/Advisory%20Council/2015/June/2015-06-Public-Report-of-the-IFRS-Advisory-Council-Chairman.pdf>.

**Joint Transition Resource Group (TRG) for Revenue Recognition**

6. As reported previously, the IASB and the US Financial Accounting Standards Board (FASB) have formed a limited-life Joint Transition Resource Group for Revenue 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 also provides stakeholders with an opportunity to learn about the new Standard from others involved with implementation. The TRG does not issue guidance.
7. All meetings of the TRG are public and co-chaired by the Vice-Chairmen of the IASB and the FASB.
8. The TRG met in July 2015 for the fifth time. Only one of the issues discussed at that meeting was identified as needing further consideration by the IASB. The issue relates to the transition requirements in the revenue Standard. The IASB considered this issue at its September 2015 meeting and concluded that standard-setting is not required. The next meeting of the TRG is scheduled for 9 November 2015. There are no TRG meetings scheduled for 2016. The IASB and the FASB will arrange further meetings on an as-needed basis.
9. The IASB published the ED *Clarifications to IFRS 15* in July 2015. As reported previously, this ED stems from the IASB's considerations of issues emerging from TRG meetings. The ED proposes amendments to clarify the application guidance for licences of intellectual property and principal versus agent considerations. It also proposes to add examples illustrating particular aspects of identifying performance obligations, and to include a practical expedient to ease the process of making the transition to the new Standard for particular contracts. 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. The FASB has also decided to add a practical expedient for sales taxes. The Basis for Conclusions on the IASB's ED explains the reasons why the IASB reached different decisions to the FASB, when that is the case.
10. The comment period for the ED ends on 28 October 2015. The IASB plans to reach a decision on the issues discussed in the ED before the end of 2015, with any final amendments issued in the Q1 of 2016.
11. In May 2015, the IASB published the ED *Effective Date of IFRS 15*, proposing a one-year deferral of the effective date of IFRS 15 to 1 January 2018. In September 2015, having considered the feedback received on that ED, the IASB issued the amendment to IFRS 15 confirming the deferral of the effective date by one year (early application continues to be permitted). The FASB also decided in July 2015 to defer the effective

date of its revenue Standard by one year to 2018 for public companies, with application in 2017 permitted.

**TRG: Impairment of Financial Instruments**

12. Since the last report to the DPOC, the Impairment of Financial Instruments Transition Resource Group (ITG) has held its second meeting in London (on 16 September). Six submissions (covered in four Agenda Papers) pertaining to the new impairment requirements in IFRS 9 were discussed at the meeting.
13. The agenda papers together with the audio webcasts can be accessed via the ITG page on the IASB website. A meeting summary will be published in due course.
14. The ITG’s discussions highlighted that constituents generally agreed with the accounting analysis presented by the staff for each of the issues raised by submitters. As with the previous meeting the discussion focused on the various implementation challenges and how constituents were addressing these in practice. One of the submissions discussed at the meeting will also be discussed with the IASB.
15. The next meeting of the ITG is scheduled for 11 December 2015. No further submissions have been received to date. However, one of the submissions received for the September meeting has been carried forward and will be discussed at the December meeting.

**IFRS Taxonomy Consultative Group (ITCG)**

16. The ITCG held a conference call meeting on 16 September<sup>2</sup> to discuss the tagging of financial statements using the IFRS Taxonomy. The technical staff view is that there was a good debate by ITCG members on that call and a good outcome in terms of the tagging approach to be taken.
17. Apart from the meetings referred to above, there has been no activity since the June 2015 meeting.

**Schedule of future group meetings**

18. In terms of the future, the following meetings are scheduled until the end of 2015:

<b>Group</b>	<b>Date</b>	<b>Location</b>
IFRS Taxonomy Consultative Group (ITCG)	27 October (face-to-face meeting) and 9 December (conference call).	London
IFRS Advisory Council	2-3 November.	London (David attending).
Global Preparers Forum (GPF)	4 November.	London

---

<sup>2</sup> The presentation for the conference call meeting can be accessed at: <http://www.ifrs.org/Meetings/Pages/ITCG-Conference-Call---September.aspx>.

Capital Markets Advisory Council (CMAC)	6 November.	London
Joint TRG Revenue Recognition (RTRG)	9 November.	London and Norwalk (simultaneously).
IFRS Interpretations Committee (IFRIC)	10-11 November.	London
Emerging Economies Group (EEG)	1-2 December	Saudi Arabia
Accounting Standards Advisory Forum (ASAF)	7-8 December.	London
TRG Impairment of Financial Instruments (ITRG)	11 December.	London