Comment letter analysis

1. The International Accounting Standards Board (‘the Board’) published its request for views 2015 Agenda Consultation (‘the RFV’) in August 2015; the comment period ended on 31 December 2015. The feedback obtained from comment letters on the RFV and in outreach activities is summarised in Agenda Paper 24A Comment letter and outreach summary which will be discussed at the March 2016 meeting of the Board. (Presented as ASAF Agenda Paper 1A.)

2. The 2015 Agenda Consultation was discussed by the World standard setters (WSS) in October 2015 and their messages were presented to the ASAF at its October meeting for discussion. An extract from the ASAF Update is included as Appendix A of this paper for convenience.

October 2015 ASAF meeting

3. At its meeting in London on 28 September 2015 the WSS discussed the RFV in break-out groups. Each breakout group focussed its discussions on a single question raised by RFV. At the ASAF meeting later that week, the Chair from each of the break-out groups presented a summary of their group’s views to ASAF members for further discussion and development. A summary of the ASAF discussion is set out in Appendix A.
April 2016 ASAF meeting

4. Following completion of the comment letter and outreach summary, we would like to ask ASAF members:

   (a) whether they have any queries or comments on the feedback reported to the Board in Agenda paper 24A of the March meeting;

   (b) how they think the messages received in the 2015 Agenda Consultation should now affect the composition and balance of the Board’s activities;

   (c) what factors they now think are important when the Board assesses individual projects for inclusion in, and prioritisation within, its work plan.
Appendix A – Summary of ASAF Feedback October 2015

Factors used to allocate resources

A1. The Chair of the WSS break-out group outlined the group’s view of important factors that should be considered when allocating resources between Standard-level projects, research and implementation activities.

A2. In response to the feedback ASAF members discussed the standard-setting time cycle and when changes to IFRS should be made.

A3. The ASAF also discussed post-implementation support and the Transition Resource Groups (TRGs).

A4. There was a general discussion that the time taken to issue a final Standard was too long, although it was accepted that the IASB’s due process and outreach needed to be robust and transparent and that this absorbed time.

Prioritisation of the research programme

A5. The Chair of this break-out group at the WSS meeting summarised the group’s feedback, noting:

(a) topics should be prioritised if they are important to fill a gap in IFRS and if they are capable of being solved through standard-setting activities;

(b) geographically widespread issues are more important than those affecting only a single jurisdiction; and

(c) convergence was not considered to be a factor for prioritisation; improving the quality of IFRS was more important.

A6. ASAF members noted:

(a) a key factor in prioritising projects on the research programme is who is affected by the project and by how much. The greater the number of affected entities, and the more significant the impact on those affected, the higher the priority.

(b) the degree of diversity in practice is an important issue.
(c) the IASB should look to the future to anticipate what topics will be important in a few years’ time.

Level and mix of implementation support provided

A7. The Chair of this break-out group at the WSS meeting summarised the group’s feedback noting:

(a) the IFRS Interpretations Committee (the ‘Interpretations Committee’) needs to maintain a balance between the need to respond quickly and stakeholders’ ability to absorb change.

(b) TRGs could be helpful but should not be a required step in the IASB’s due process.

(c) some members of the group thought there are too many narrow-scope amendments and that submissions to the Interpretations Committee should be reviewed before being discussed in public.

(d) support for the involvement of WSS in the initial outreach on agenda submissions to the Interpretations Committee, which aims to define the issue and identify whether the issue is widespread.

(e) support for the work of the Education Initiative, but thought that greater use could be made of technology such as webcasts.

A8. ASAF members supported the comments raised.

Pace of change and the level of detail given in IFRS

A9. The Chair of this break-out group at the WSS meeting summarised the group’s feedback, noting:

(a) that the pace of change is affected by how long the entity has been reporting in accordance with IFRS. Generally, participants in the break-out group thought the pace of change was about right.

(b) views among members of the break-out group about the level of detail included in Standards were divided—some thought too much guidance
was provided; others thought too little guidance was provided—
depending on the Standard.

(c) all members of the break-out group agreed that clear principles are
required in IFRS—clear principles should mean that the IASB would
not have to deal with individual issues.

(d) some held the view that it was difficult to engage with stakeholders
throughout the standard-setting process. Some members thought that
*IASB Update* did not provide a clear enough description of the IASB’s
thinking, so that stakeholders were surprised by the final Standard.

(e) there is a perceived gap between the thinking at the end of deliberations
and issuing the Standard itself.

**Proposal to extend the interval between agenda consultations to 5 years**

A10. The Chair of this break-out group at the WSS meeting explained that the group
generally preferred a 5-year interval between Agenda Consultations. The
reasons include that 5 years aligns with the term of office for IASB members
and the IASB’s Chair. Some had expressed concern at the consultation burden
placed on stakeholders.

A11. ASAF members generally supported the comments made by WSS but noted the
need for flexibility in setting the IASB’s agenda.