

STAFF PAPER

April 2016

IASB Meeting

Project	Research Programme		
Paper topic	General Update		
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Introduction

1. The purpose of this session is to give a general update on projects in the research programme since the last update, provided in the Board’s December 2015 meeting.

Recent developments

2. The Board has discussed the following research projects since December 2015:
 - (a) Discount rates (January)
 - (b) Financial Instruments with Characteristics of Equity (February)
 - (c) Goodwill and impairment (February, March)

3. In reviewing feedback on the Agenda Consultation (see Agenda Paper 24), the Board will receive updates on all projects on the existing research programme in either April or May. The Board's discussions at those meetings will affect decisions about the priorities, next steps and timings for the research projects.

Question for the Board

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Do Board members have any questions or comments on the projects or about the research programme generally?

Appendix: Project discussions

More information on research projects can be downloaded from the individual project pages, which can be accessed through <http://go.ifrs.org/IASB-Work-Plan>.

Research project	Description	Comments
Assessment stage		
Discount Rates	This project is reviewing discount rate requirements, in IFRS Standards, to identify whether there are any inconsistencies that the Board should consider addressing.	The Board has completed an initial discussion of the research done so far. The Board will discuss next steps at a future meeting.
Goodwill and Impairment	This project resulted from the post-implementation review of IFRS 3 <i>Business Combinations</i> . The Board is assessing whether, and if so how, to address issues raised about identifying and measuring intangible assets acquired in a business combination; subsequent accounting for goodwill and impairment testing of goodwill and of other non-current, non-financial assets.	Board Discussions are continuing.
Income Taxes	This project is assessing whether the Board should consider addressing problems that arise in applying IAS 12 <i>Income Taxes</i> .	The Board has not yet discussed this topic. The staff intend to hold an educational session for the Board in May, to report on research done so far, and assess responses to the Agenda Consultation.

Research project	Description	Comments
Pollutant Pricing Mechanisms	This project is assessing whether the Board should consider addressing any diversity that may exist in accounting for pollutant pricing mechanisms (including emissions trading schemes).	Board Discussions are continuing.
Post-employment Benefits	There is a growing range of hybrid pension plan designs that incorporate features of both defined contribution and defined benefit plans. Such plans were not envisaged when IAS 19 <i>Employee Benefits</i> was developed and applying IAS 19 to those plans is problematic. This project is exploring whether a feasible solution can be developed.	The Board received an initial update in November 2015. The Board will discuss next steps at a future meeting.
Primary Financial Statements	This project will assess whether the Board should consider developing further requirements on the purpose, structure and content of the statement(s) of profit or loss and other comprehensive income, statement of financial position (the balance sheet), statement of cash flows and statement of changes in equity.	<p>The Board has not begun discussing this project. The staff are carrying out some initial research:</p> <ul style="list-style-type: none"> • review concepts explored in the old Financial Statement Presentation project, to assess which of them may merit further investigation; • gather background information on how entities using IFRS report on their financial performance; • monitor work currently being done by the FASB in this area: • look at some research work being done on cash flow reporting by the UK Financial Reporting Council; • perform informal outreach to identify the gaps and deficiencies in existing requirements and practices.

Research project	Description	Comments
Provisions, Contingent Liabilities and Contingent Assets	This project is assessing whether the Board should consider amending any aspects of IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> in the light of possible changes to the <i>Conceptual Framework</i> .	The Board has completed its discussion of the staff's initial research on the Board's previous proposals and stakeholder feedback on them, and on the implications of the <i>Conceptual Framework</i> Exposure Draft. The staff plan no further work until the revised <i>Conceptual Framework</i> is closer to finalisation.
Share-based Payment	The objective of this project is to identify the most common areas of complexity in accounting for share-based payments, and their main causes, to assess whether the Board should consider addressing them.	The Board has completed an initial discussion of the research done so far. The Board will discuss next steps at a future meeting.
Development stage		
Business Combinations under Common Control	The Board does not currently have requirements for business combinations under common control, for example in preparing for initial public offerings. The project is looking to identify which method(s) of accounting for such transactions would provide the most useful information.	Board discussions will begin in April.
Disclosure Initiative—Principles of Disclosures	The objective of this project is to identify and develop a set of principles for disclosure that could form the basis of an IFRS Standards-level project. The focus is on reviewing the general requirements in IAS 1 <i>Presentation of Financial Statements</i> , and considering how they may be revised. The Board expects to issue a Discussion Paper for this project in 2016.	The staff are drafting a Discussion Paper.

Research project	Description	Comments
Disclosure Initiative—Standards level review of disclosures	The objective of this project is to develop a drafting guide for the Board to use when developing disclosure requirements in new and amended IFRS Standards. The project also aims to identify targeted improvements to disclosure requirements in existing IFRS Standards. The scope of this project will be determined after considering feedback from the Principles of Disclosure Discussion Paper.	The staff are carrying out some initial research. The staff will report to the Board at a future meeting.
Dynamic Risk Management	This project is assessing whether the Board should develop an approach to reporting dynamic risk management activities. Views on the Discussion Paper Accounting for <i>Dynamic Risk Management: A Portfolio Revaluation Approach to Macro Hedging</i> published during 2014 were diverse. The next step is likely to be a second Discussion Paper.	The staff are exploring how entities dynamically manage interest rate risk. The staff will report to the Board at a future meeting.
Equity Method	The equity method is used in accounting for investments in associates and joint ventures. The project is assessing whether the Board should consider addressing problems that arise in practice when applying the equity method. Later research might consider whether there is a need for a fundamental review of the equity method.	The Board will discuss next steps at a future meeting.

Research project	Description	Comments
Financial Instruments with Characteristics of Equity	Some financial instruments have characteristics of both liabilities and equity. This project is investigating whether improvements can be made to how these instruments are classified, and to the presentation and disclosure requirements for such instruments.	Board Discussions are continuing.
Inactive projects		
Extractive Activities/ Intangible Assets/ R&D		
Foreign Currency Translation		
High Inflation	The project on high inflation will be discussed with the Accounting Standards Advisory Forum (ASAF) in April.	