

STAFF PAPER

July 2016

Project	2015 Agenda Consultation		
Paper topic	Draft work plan: Advisory Council feedback		
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This paper has been prepared for discussion at a public meeting of the International Accounting Standards Board® (“the Board”) and does not represent the views of the IASB® or any individual member of the Board. Comments on the application of IFRS® Standard do not purport to set out acceptable or unacceptable application of IFRS Standards. Technical decisions are made in public and reported in IASB Update.

Purpose

1. At its May 2016 meeting the International Accounting Standards Board (the Board) developed a draft work plan to 2021. That draft work plan was discussed with the IFRS Advisory Council (Advisory Council) at its June meeting and will be discussed at the July meeting of the Accounting Standards Advisory Forum (ASAF).
2. The purpose of this paper is to summarise the comments received from the Advisory Council. The relevant section of the Report of the Advisory Council on its June 2016 meeting is included as Appendix C to this paper. The points raised at the meeting are discussed in greater detail in this paper. The paper also records a comment received in a meeting of the Global Preparers Forum (GPF) in June 2016.
3. The staff will provide an oral update at the July Board meeting of messages received from the ASAF meeting to be held on 8 July.
4. In this paper Board members will be asked whether they wish to make any changes to the revised work plan included as Appendix A.

Structure of this paper

5. This paper is organised as follows:

- (a) balance of the Board's activities and its work plan strategy;
- (b) comments received on the draft research programme;
- (c) research and the standard-setting process;
- (d) publication of a revised work plan on the website;
- (e) proposed links from the work plan;
- (f) questions for the Board;
- (g) next steps;
- (h) Appendix A–Revised work plan for publication;
- (i) Appendix B–Draft work plan as discussed by the Advisory Council and ASAF;
- (j) Appendix C–Extract from the Report of the IFRS Advisory Council on its June 2016 meeting; and
- (k) Appendix D Projects not included in the revised work plan 2017-2021.

Balance of the Board's activities and its work plan strategy

6. The paper presented to the Advisory Council and to ASAF summarised the Boards' discussions between March and May 2016, including:
 - (a) the key messages received in the agenda consultation;
 - (b) the constraints on the resources of stakeholders and of the Board; and
 - (c) information about the individual research projects considered by the Board.
7. The paper also noted that, at its May 2016 meeting, the Board had tentatively decided to switch its focus from transaction-specific Standards-level projects to two identified themes for its activities to 2021:
 - (a) maintaining the relevance of IFRS Standards by increasing the communication effectiveness and value of financial reporting produced by entities applying IFRS Standards.
 - (b) implementation and the support of consistent application.

8. The Board also thought that it was important that its research programme should be designed in a way that makes it realistic and achievable. The research programme should consist of projects that have clear objectives, aimed at gathering evidence needed to support decisions on whether to add projects to the standards-setting programme.

Feedback from the Advisory Council

9. The Advisory Council:
 - (a) thought that the change in focus outlined in paragraphs 7 and 8 was appropriate and reflected the comments received in the agenda consultation;
 - (b) supported the Board's themes of consistent application and increasing the communication effectiveness and value of financial reporting; and
 - (c) thought that it was important that the work plan should be deliverable in a timely manner.
10. Members of the Advisory Council suggested that the Board should make it clear that:
 - (a) the work plan was sufficiently flexible to enable the Board to address emerging issues in a timely manner; and
 - (b) the period of calm referred to in the paper was instead a period focussing on implementation activities. The Advisory Council thought that, although the period 2017-2021 showed a reduced focus on large standard-setting projects, it would nevertheless be a busy period—rather than a calm period—for both the Board and its stakeholders.
11. The Advisory Council also suggested that the Board should explore how it measures the overall effectiveness of its work plan.
12. Members of the Advisory Council suggested that the Feedback Statement should include:
 - (a) a discussion of how the Board manages its resources.

- (b) a clear description of all the Board's technical activities, including implementation support, and not just those that appear on the work plan.
- (c) an explanation of how individual projects evolve over time so it is clear that some research projects will lead to standard-setting projects at some time in the period 2017-2021, although it is too early to forecast which research projects will lead to that outcome.

Comments received on the draft research programme

Draft research programme

13. The paper presented to the Advisory Council included a discussion of the factors that affected the development of the Board's draft research programme.
 - (a) The Board recognised that it is frustrating when projects appear to be progressing slowly. To avoid this, the Board decided to focus its research activities at any one time on fewer active research projects than are listed on its current research programme.
 - (b) The Board considered separately the feedback received on individual projects in order to assess the relative importance and urgency of each before deciding which projects should be placed on the draft research programme and which should be removed from the programme.
 - (c) In assessing the prioritisation of individual research projects, no single criterion ranked consistently over others. The determinative criterion varied project-by-project.
14. Following the Board's discussions at its May meeting, the Board decided that no further work was required on some research projects. Those topics are shown in *Appendix D Projects not included on the revised work plan 2017-2021*.
15. While selecting individual research projects for inclusion on the research programme, the Board also created a research pipeline of eight possible future research projects. These are not currently active, but the Board believes that by

2021 it both will need to start, or restart, work on them and will have the resources to do so. The research pipeline is discussed in Agenda Paper 8 *Research Update*.

IFRS 3 Business Combinations

16. The staff would like to highlight here one aspect of the Board's discussions in May. Among the topics discussed at the Board's May meeting were the issues that had been identified during the post-implementation review (PIR) of IFRS 3. The Board is carrying out projects on two of those issues:
 - (a) definition of a business (maintenance project, Exposure Draft issued June 2016); and
 - (b) goodwill and impairment (active research project).
17. At the May meeting the Board decided not to include in the research pipeline any of the other issues, such as accounting for step acquisitions and a loss of control, identified in that PIR. That decision by the Board was part of a larger discussion, was not made separately and explicitly, and was not recorded in *Update*.
18. To make sure that decision is visible to stakeholders, the staff will ask the Board to confirm it explicitly in Question 3 of this paper, following paragraph 40.

Feedback from the Advisory Council

19. The Advisory Council:
 - (a) agreed with evidence-gathering as a major function of the Board's research activities;
 - (b) agreed with the proposed reduction in the number of active research projects;
 - (c) agreed with the idea of setting up a research pipeline; and
 - (d) did not object to the composition of both the active research programme and the research pipeline.
20. The Advisory Council suggested that the Feedback Statement should explain more clearly than in the paper for that meeting how the Board had decided which

projects should be on the active research programme, which projects should be in the research pipeline and which topics should not appear on either list.

21. Some members commented on individual topics:

- (a) A number suggested that Business Combinations under Common Control (on the active research work plan) was an important research topic, particularly in emerging markets.
- (b) Members also suggested that Extractive Activities (in the research pipeline) was an important topic, particularly in emerging markets. These members accepted, however, that the topic was not of sufficiently broad applicability to replace another topic on the active research programme.
- (c) Some members expressed mixed views on the importance of Dynamic Risk Management.
- (d) Some members felt that the draft work plan appeared to indicate that the Board viewed some topics, such as pension and intangible assets, as too difficult to address. They suggested that the Board should show more ambition and tackle some of these difficult projects, although these members agreed that these topics should not be on the active research programme now. Some members suggested that national standard-setters might help with these topics.

Feedback from the GPF

22. In the joint meeting of the Global Preparers Forum (GPF) and Capital Markets Advisory Committee in June 2016, one member of the GPF congratulated the staff and the Board for the depth of analysis of feedback received on the agenda consultation, but expressed regret that the draft work plan does not address the following two topics:

- (a) problems that can arise from the interaction between IAS 29 *Financial Reporting in Hyperinflationary Economies* and IAS 21 *The Effects of*

Changes in Foreign Exchange Rates when exchange rates are not quoted in a free market, but rather are set by the government¹.

- (b) deferred tax on intercompany transfer of assets. This was one of the topics discussed in the Board's education session on income taxes in May 2016.² There has been one development (within US GAAP) in this area since then. The US Financial Accounting Standards Board (FASB) decided in June 2016:
- (i) to retain the existing US GAAP requirement for intercompany transfer of inventory. In essence, this measures deferred tax at the rate applicable to the selling company, whereas IAS 12 *Income Taxes* requires use of the rate applicable to the buying company. In its exposure draft on this topic in 2015, the FASB had proposed switching to the requirement in IAS 12.
 - (ii) for intercompany transfer of all other assets, to switch to the requirement in IAS 12.

Research and the standard-setting process

23. The Advisory Council raised a number of points about how the Board's research programme and research pipeline interacts with its standard-setting activities. For example, Advisory Council members suggested that the Board should:
- (a) provide a clearer explanation about how research forms an integral part of its technical activities;
 - (b) explain how some projects from the research programme will become standard-setting projects in the period to 2021; and
 - (c) clarify the process for starting work on projects that are in the research pipeline.
24. These and other topics are discussed in Agenda Paper 8 *Research Update*.

¹ See Agenda Paper 24E, May 2016

² See paragraphs 33-35 of Agenda Paper 19A, May 2016.

Publication of a revised work plan on the website

25. To avoid pre-empting the discussions with the Advisory Council and with ASAF, the website currently shows the work plan without the effect of the decisions the Board took in May. After the July Board meeting, the staff plan to update the published work plan to reflect the decisions made in May and any decisions made at this meeting.
26. The staff understand that the Trustees wish to review the Feedback Statement before it is published, and that as part of that review the Trustees may wish to satisfy themselves that the Board has followed an appropriate due process in carrying out the agenda consultation. The staff expect the Trustees to carry out their review at their October 2016 meeting. The staff expect the Board to approve publication of the Feedback Statement at its October 2016 meeting, which follows the Trustees' October meeting.
27. The rest of this section of the paper considers whether the advice received from the Advisory Council should lead to any changes in the content or presentation of the draft work plan decided on by the Board at its May meeting.

Content of the work plan

28. It was clear that the Advisory Council generally supported the overall balance of the Board's draft work plan and the selection of individual projects for the research programme and the standard-setting programme. The staff do not recommend changing the content of the draft work plan.

Presentation of the work plan

29. The staff think that some changes could be made to the way in which the work plan is presented to clarify points raised by the Advisory Council. These changes have been reflected in the revised work plan in Appendix A:
 - (a) As discussed in Agenda Paper 8, there is still some confusion about how research activities form an integral part of the Board's technical activities and how research projects lead to standard-setting projects or are removed from the work plan.

- (b) The Advisory Council was concerned that some stakeholders might think that all research projects were automatically of a lower priority than all standard-setting projects.
- (c) The Advisory Council think it is important that research projects are monitored for timeliness and ‘slippage’.
- (d) The Advisory Council agreed with the Board’s decision to focus on a reduced number of active research projects, but to disclose its research pipeline to indicate which topics it intends to consider up to 2021.

30. In recognition of these points:

- (a) The active research programme and the standard-setting projects are now presented (in Appendix A to this paper) in one table, with research projects preceding standard-setting projects, to:
 - (i) indicate that research projects typically lead on to standard-setting projects, if the research provides sufficient evidence that standard-setting is needed; and
 - (ii) avoid implying that standard-setting projects are automatically more important or more urgent than research projects.
- (b) That table indicates the next project milestone for research projects as well as standard-setting projects, to make it easier to monitor the timely completion of research projects.
- (c) Projects that are key to the theme of increasing the communication effectiveness and value of financial reporting, such as Principles of Disclosure and Primary Financial Statements, are presented first, followed by other projects in alphabetical order. Projects that are expected to be completed soon, and not to result in a standard-setting project, such as discount rates and share-based payment, are shown last.
- (d) To reflect the Board’s more focussed approach and because no active work is being done on projects in the research pipeline, the research pipeline is not presented as part of the work plan although it will be accessible from the work plan through a hyperlink.

31. The staff also note a further comment received on the work plan during the agenda consultation. Many respondents thought that it was confusing that some projects, such as Dynamic Risk Management and Principles of Disclosure, appeared twice on the work plan—on both the research programme and as major projects. Presenting standard-setting projects and research projects together in a single table, as shown in Appendix A, prevents that confusion.

Proposed links from the work plan

32. The revised work plan, published on the website, will include hyperlinks to pages that discuss:
- (a) the Board’s plans for better communication in financial reporting;
 - (b) the Board’s approach to research-led standard-setting; and
 - (c) the Board’s research pipeline.

Board’s plans for better communication in financial reporting

33. Many investors and many other respondents suggested that the main prioritisation factor in developing the work plan should be the importance of the topic to investors.
34. Investors would like the Board to prioritise projects that would significantly enhance the information that they receive. Investors currently consider much disclosure to be irrelevant and produced only for compliance. They requested the Board to refocus its standard-setting projects towards topics that make financial reporting more relevant and improve the communication of information (such as through work on principles of disclosure and on performance reporting) and away from topics that relate to single types of transactions. They think that such projects would deliver more significant improvements, and more quickly (‘quick wins’), than would be achieved by more ambitious and technically complex projects.
35. As a result of the feedback received in the 2015 Agenda Consultation, the revised work plan puts more emphasis on work on presentation and disclosure that is designed to improve the overall communication value of financial reporting produced by entities applying IFRS Standards. At its May meeting the Board

identified this improvement to the communication value of financial reporting as a central theme of its activities for the next several years.

- 36. At different times in the agenda consultation process this theme has been described in various ways: as an initiative to improve financial reporting, as addressing investors’ needs or as actions to improve the communication effectiveness of financial reporting. For clarity and brevity the staff now recommend that we refer to this theme simply as one of *Better Communication*.
- 37. This theme will include the Board’s work on Primary Financial Statements, the Disclosure Initiative (including Principles of Disclosure) and work on the IFRS Taxonomy™. The scope of some of these projects is still being developed—others are more advanced.
- 38. The Board’s plans for *Better Communication* include:

Project	Status
Primary financial statements	<p>The Board has yet to agree the scope but the project is likely to:</p> <ul style="list-style-type: none"> a) consider the structure and content of the statement(s) of financial performance, including line item subtotals and alternative performance measures. b) explore whether there is a need to improve the structure and content of the statement of cash flows and of the statement of financial position. c) consider the interaction between the primary financial statements. <p>The project is unlikely to:</p> <ul style="list-style-type: none"> a) seek to define a single measure of performance or to consider which items should be reported in other comprehensive income. b) consider the statement of changes in equity, because it will be covered in the Financial Instruments with

	Characteristics of Equity project.
Principles of Disclosure	<p>The Board is developing presentation and disclosure principles that apply across all IFRS Standards. The purpose of these principles would be to help the Board set better disclosure requirements and to enable preparers to make better judgements about disclosures.</p> <p>After considering feedback to be received on the Principles of Disclosure Discussion Paper, the Board aims to consider whether to initiate a future project to make targeted improvements to disclosure requirements in existing IFRS Standards.</p>
IFRS Taxonomy	<p>The Board will focus on a number of areas:</p> <ul style="list-style-type: none"> a) <i>content</i>: to make sure that IFRS Standards and identified common practice are reflected within the taxonomy in an accurate and timely manner. b) <i>adoption and implementation</i>: to support accurate tagging by preparers and use of the IFRS Taxonomy by regulators. c) <i>interaction between electronic reporting and principle-based standard-setting</i>: with a specific focus on the management of disclosures not explicitly covered within the IFRS taxonomy ('entity-specific disclosures'). d) <i>governance</i>: implementation of the revised IFRS Taxonomy due process. e) <i>technology</i>: the wider impact technology may have on the relevance of the Standards and the IFRS Taxonomy.

Materiality Practice Statement	The objective of this project is to help preparers, auditors and regulators to use judgement when applying the concept of materiality.
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Board's approach to research-led standard-setting

39. A section of the website will describe the Board's approach to research-led standard-setting and will include many of the points discussed in Agenda Paper 8 *Research Update*.

Board's research pipeline

40. The research pipeline section of the website will describe briefly each project in the research pipeline and summarise its status. Appendix D of Agenda Paper 8 *Research Update* contains a description of the projects in the research pipeline.

Questions for the Board

Question 1 for Board members

Do you have any comments on the revised work plan as presented in Appendix A, and on the research pipeline, as discussed in Agenda Paper 8?

Question 2 for Board members

Do you have any comments on the draft wording on the suggested theme of *Better Communication*?

(A question on the Board's research programme and the research pipeline is included in Agenda Paper 8 *Research Update*.)

Question 3 for Board members

Do you confirm the decision at the May meeting, discussed in paragraphs 16-17, not to take any of the additional issues identified by the PIR of IFRS 3, such as accounting for step acquisitions and a loss of control, into the research pipeline?

Next steps

41. The Advisory Council thought that the Feedback Statement should address a number of points that did not directly affect the composition or presentation of the work plan, including:

- (a) a discussion of all the Board's activities, not just those that directly affect the work plan.
 - (b) clarification of the role of research (Agenda Paper 8 *Research Update* discusses some points that might be relevant in providing this clarification).
 - (c) how the Board had determined which projects were high priority.
 - (d) how the Board manages its resources, through project management and by monitoring and reporting slippage.
 - (e) how the Board can measure its success. This may perhaps be through a qualitative analysis of how financial reporting has been improved; an analysis of the outcomes of our standard-setting efforts using effects analyses; or a review of the quality of the later stages in the standard-setting process.
 - (f) a description of the extent to which we achieved the targets identified in the 2011 Agenda Consultation.
 - (g) an explanation of the role played by the IFRS Taxonomy.
 - (h) the Board's strategy on convergence.
42. The staff intend bringing an analysis of topics such as these for inclusion in the Feedback Statement, together with suggested responses, to the September Board meeting. A draft of the Feedback Statement will be presented to the October meeting of the Trustees for comment.
43. The staff expect to ask the Board to approve publication of its Feedback Statement following that meeting of the Trustees.

Appendix A Revised work plan for publication

(Note—when transferring the work plan to the website some changes to its format may be required.)

Work plan—as at 31 July 2016

To learn more about any project listed below, click on the project name.

Active projects	Current activity	Next major milestone		
		Within 3 months	Within 6 months	After 6 months
Research projects:				
Disclosure Initiative: Principles of Disclosure	Drafting DP		Publish DP (expected October/November)	
Primary Financial Statements	Analysis		Decide Project Scope	
Business Combinations under Common Control	Analysis			Publish DP
Dynamic Risk Management	Analysis			Publish DP
Financial Instruments with Characteristics of Equity	Analysis			Publish DP
Goodwill and Impairment	Analysis			Decide Project Direction
Discount rates	Analysis		Publish Research Summary	
Share-based Payment	Drafting Research Summary		Publish Research Summary	
Standard-setting and related projects:				
Conceptual Framework	Analysis			Issue Conceptual Framework
Disclosure Initiative: Materiality Practice Statement	Analysis	Decide Project Direction		
Insurance Contracts	Drafting IFRS Standard			Issue IFRS Standard
Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	Drafting IFRS Amendment	Issue IFRS Amendment (expected September)		
Rate-regulated Activities	Analysis			Publish DP

The Board's plan for *Better Communication*

A major theme of the Board's work is its plan for better communication in financial reporting. That plan includes a [Disclosure Initiative](#), a project on Primary Financial Statements and other projects, including work on the IFRS Taxonomy. To learn more about the Board's plan for better communication in financial reporting click [here](#).

IFRS for SMEs Standard

The Board plans to start its next comprehensive review of the *IFRS for SMEs* Standard in 2019. The Board will decide later in 2016 whether an interim consultation is also required.

Research activities

Before the Board starts a project to make a major amendment to IFRS Standards, it carries out a research project to gather evidence about whether that amendment is needed. To learn more about the Board's evidence-based approach to standard setting click [here](#).

The Board intends to commence research on further topics before 2021. Click [here](#) to read about the research pipeline.

Maintenance of IFRS Standards

Narrow-scope amendments and IFRIC Interpretations	Current activity	Next major milestone		
		Within 3 months	Within 6 months	After 6 months
Changes in Accounting Policies and Estimates	Analysis		Publish ED	
Clarifications to IFRS 8 arising from the Post-implementation Review	Drafting ED		Publish ED	
Classification of Liabilities (Proposed amendments to IAS 1)	Analysis			Issue IFRS Amendment
Definition of a Business and Accounting for Previously Held Interests (Proposed amendments to IFRS 3 and IFRS 11—comment period ends 31 October 2016)	Public Consultation			Decide Project Direction
Foreign Currency Transactions and Advance Consideration	Analysis		Issue IFRIC Interpretation	
Remeasurement at a Plan Amendment, Curtailment or Settlement / Availability of a Refund of a Surplus from a Defined Benefit Plan (Proposed amendments to IAS 19 and IFRIC 14)	Analysis	Decide Project Direction		
Transfers of Investment Property (Proposed amendments to IAS 40)	Analysis	Issue IFRS Amendment (Expected October)		
Uncertainty over Income Tax Treatments (Draft IFRIC Interpretation)	Analysis	Decide Project Direction		
Annual Improvements 2014–2016	Analysis	Decide Project Direction		
Annual Improvements 2015–2017	Analysis	Decide Project Direction		
IFRS Taxonomy				
Proposed IFRS Taxonomy Update on Amendments to IFRS 4	Analysis	Issue Proposed IFRS Taxonomy Update (expected September)		
Proposed IFRS Taxonomy Update on Insurance Contracts	Analysis			Issue Proposed IFRS Taxonomy Update
Common Practice—Agriculture, Leisure and Retail	Analysis	Issue Proposed IFRS Taxonomy Update (expected September)		
Common Practice Guide	Drafting Guide	Publish Guide (expected August)		

Post-implementation reviews				
PIR of IFRS 13 <i>Fair Value Measurement</i> ¹			Initiate PIR	
PIR of IFRSs 10-12 , relating to consolidated financial statements and joint arrangements				Initiate PIR

Post-implementation reviews

The Board conducts post-implementation reviews (PIRs) of significant new Standards. In addition, the Board may decide to conduct a PIR of other Standards. Click [here](#) to learn more about PIRs.

The Board also plans to conduct a [PIR of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*](#) in due course.

¹ The work carried out in the maintenance project on [Fair Value Measurement: Unit of Account](#) will be fed into the PIR of IFRS 13.

2015 Agenda Consultation

	Current activity	Next major milestone		
		Within 3 months	Within 6 months	After 6 months
2015 Agenda Consultation	Drafting Feedback Statement		Publish Feedback Statement	

Appendix B Draft work plan as discussed by the Advisory Council and ASAF

NB Basis of presentation of the draft work plan:

- B1. Throughout this draft work plan, the height of each row represents the *approximate* level of stakeholders' and Board resource required. The projects are presented in alphabetical order.
- B2. The timings on the work plan indicate the expected period during which resources will be utilised. They are not intended as a forecast for when documents will be published.
- B3. The timings shown for each research project show when resources are expected to be required for the research project, and for a subsequent Standards-level project, if any, on that topic. For each research project, the Board will decide, on the basis of the evidence gathered, whether it is necessary to carry out a Standards-level project covering any or all of that topic.
- B4. In this draft work plan, an asterisk (*) denotes those projects which will contribute to the Board's initiative to improve the communication effectiveness of financial reporting produced by entities applying IFRS Standards.

B5. Draft major projects and other activities					
Project	2017	2018	2019	2020	2021
Major standards-level projects:					
Conceptual Framework					
Insurance contracts					
Rate-regulated activities		?	?		
Other activities:					
Implementation activities					
Taxonomy*					
PIRs					
SMEs					
	Period of significant activity				
	Period of planning or post-issuance activity				
?	Uncertain—the Board has asked the staff to develop a model for it to assess				
*	Forms part of the Board’s improving communication effectiveness initiative				

B6. The draft research programme for discussion					
Active research projects	2017	2018	2019	2020	2021
Business combinations under common control					
Disclosure initiative, including principles of disclosure project *					
Dynamic risk management					
Financial instruments with characteristics of equity *					
Goodwill and impairment					
Primary financial statements *					
	Period of significant activity (including significant activity on standard-setting that may be needed after the research phase is complete.)				
	Period when it is difficult to predict whether project will still be utilising resource or will have been completed.				
*	Forms part of the Board's improving communication effectiveness initiative				

Projects on discount rates and on share-based payment are expected to be completed in 2016 and, consequently, do not appear on the active research programme for the annual forecast period 2017-21.

Research pipeline	Comments:
Equity method	The scope of the project will be reconsidered after feedback from the PIRs of IFRS 10 <i>Consolidated Financial Statements</i> , IFRS 11 <i>Joint Arrangements</i> and IFRS 12 <i>Disclosure of Interests in Other Entities</i> has been assessed.
Extractive activities	IFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i> is a temporary Standard and provides a number of exemptions. A more permanent solution will be required to fill a gap with respect to a significant global industry.
Pollutant pricing mechanisms	An analysis of the common economic characteristics of various schemes will be required in order to assess potential solutions.
Provisions, contingent liabilities and contingent assets (review of IAS 37)	Initial research is now complete. The remaining step is to consider the implications of the revised <i>Conceptual Framework</i> when that is finalised.
Variable and contingent consideration	A cross-cutting issue that has arisen in several topics and has been discussed by the IFRS Interpretations Committee and the Board.
Feasibility studies to assess whether it is feasible to develop a targeted amendment to do the following:	
High inflation	to extend the scope of IAS 29 <i>Financial Reporting in Hyperinflationary Economies</i> to cover economies subject to high, rather than hyper, inflation. This is the only action the Board intends to take following its earlier research project on high inflation.
Pensions: benefits that depend on asset returns	to develop an approach that focuses on the relationship between the cash flows included in the measurement of those benefits and the discount rate.
SMEs that are subsidiaries	to permit subsidiaries that are SMEs to use the recognition and measurement requirements in IFRS Standards and the disclosure requirements for SMEs.

Appendix C Extract from the Report of the IFRS Advisory Council on its June 2016 meeting

C1 The original numbering of the paragraph is retained in the extract:

7. There was general support for the draft work plan and for the Board's intention to give priority to fewer projects. Council members suggested that the Board should:
 - a. provide a clearer explanation about how research forms an integral part of its technical activities;
 - b. explore how it can measure the success of those technical activities;
 - c. set a realistic scope for its activities to ensure projects are achievable;
 - d. clarify the process for starting work on projects that are in the research pipeline;
 - e. consider how emerging issues will be dealt with and resourced;
 - f. consider whether some difficult topics, such as pensions and intangible assets, should be addressed, and if so whether this should be in-house or by way of using the national standard-setters network; and
 - g. do further work on messaging relating to the IFRS Taxonomy.

Appendix D Projects not included on the revised work plan 2017-2021

D1. The following topics were removed by the Board from its work plan for the reasons given:

Foreign currency translation	In October 2014 the Board considered the output of this research project and decided to take no further action. The Board did not receive sufficient reasons in the agenda consultation to change that decision.
High inflation	In April 2015 the Board considered the output of this research project and decided to take no further action. The Board did not receive sufficient reasons in the agenda consultation, or in the subsequent discussion with ASAF in April 2016, to change that decision, except that the Board decided to include in the research pipeline a targeted project to assess whether it is feasible to extend the scope of IAS 29 <i>Financial Reporting in Hyperinflationary Economies</i> to cover economies subject to high, rather than hyper, inflation.
Income taxes	The Board thinks that research performed so far, and the feedback received, indicate that: <ul style="list-style-type: none"> • a fundamental review of the Standard is not required; and • no narrow scope amendments on this topic are worth pursuing.
Intangible assets and R&D (originally part of the extractive activities project)	Any attempt to address recognition and measurement of intangible assets and R&D would be likely to require significant resources, with very uncertain prospects for any significant improvement in financial reporting. Because of the wide range of intangible assets, any attempt to improve disclosures would also require significant resources. The Board is not aware of any suggestions for either wide-ranging or targeted disclosure improvements that would produce significant benefits.
Post-employment benefits	Feedback was that this topic was not of sufficiently widespread importance to warrant further work, other than the project, in the research pipeline, on pension benefits that depend on asset returns.