

STAFF PAPER

November 2016

Emerging Economies Group Meeting

Project	IAS 37 Provisions, Contingent Liabilities and Contingent Assets
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Paper topic	Way forward
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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 Board or any individual member of the Board. Comments on the application of IFRS® Standards do not purport to set out acceptable or unacceptable application of IFRS Standards. Technical decisions are made in public and reported in IASB *Update*.

Agenda Consultation

1. In April and May 2016, the International Accounting Standards Board (the Board) discussed the feedback received from its request for views *2015 Agenda Consultation* (the RFV) and from the outreach conducted as part of its public consultation. Messages received by the Trustees of the IFRS Foundation® (the Trustees) in response to their request for views *Trustees’ Review of Structure and Effectiveness: Issues for the Review* (the Trustees’ RFV) were also relevant to that discussion.
2. At its public meetings in April 2016 and May 2016, the Board discussed current and possible research projects to help it decide which projects to retain in, or add to, its research programme, and decide which research projects should be conducted first.
3. In May 2016, the Board tentatively:
 - (a) agreed with the strategy for developing the Board’s work plan; and
 - (b) agreed on a draft work plan;
4. That draft work plan was subsequently presented to, and discussed by the IFRS Advisory Council (the Advisory Council).

5. In April 2016, the staff presented Agenda Paper 22, which considered the research project on IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. That paper, included in full in Appendix A to this paper:
- (a) provided background information on the purpose and status of the IAS 37 research project;
 - (b) summarised the feedback received in response to the Request for Views and related online survey;
 - (c) sets out the staff analysis of the implications of that feedback; and
 - (d) made suggestions about the possible next steps for the project and their timing (paragraph 0).
6. In that paper, the staff suggested that:
- (a) the next steps on this project would be to compile and document the evidence already gathered in the project.
 - (b) the document could take the form of a Discussion Paper that:
 - (i) summarises the evidence;
 - (ii) gives the Board's preliminary views on whether to add a project to its Standards-level programme and, if so, what the scope of that project should be; and
 - (iii) seeks feedback from the public on those preliminary views.
 - (c) because the main aim of a Standards-level project would be to make IAS 37 consistent with the revised *Conceptual Framework*, the Board would not publish a Discussion Paper on possible amendments to IAS 37 until it had finalised the revisions to the *Conceptual Framework*. Accordingly, no further Board discussions would be needed for this research project until the Board has reached decisions in its *Conceptual Framework* redeliberations.

Tentative Conclusion

7. The Board agreed with these suggestions, and the project was consequently included in the draft work plan as an inactive research project, pending completion of the Conceptual Framework.