

AGENDA PAPER

IFRS® Foundation Trustees meeting – Due Process Oversight Committee

NEW DELHI 13 OCTOBER 2016

Agenda ref 1C

PRESENTER Hugh Shields, Executive Technical Director

AUTHORS Peter Clark, Technical Director
April Pitman, Senior Technical Manager

This paper has been prepared for discussion at a public meeting of the IFRS Foundation Trustees by the staff. It does not represent the views of the Trustees or any individual member of the Trustees. 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*.

2015 Agenda Consultation–Summary of the Consultation Process

Introduction

1. At its September 2016 meeting the International Accounting Standards Board (the Board) completed its deliberations of its 2015 Agenda Consultation. The staff intend taking a paper to the Board in October 2016 requesting permission to publish *Feedback Statement on the 2015 Agenda Consultation* (the Feedback Statement) which will summarise that process and the messages received. In accordance with the *Due Process Handbook*, the Feedback Statement is not subject to balloting by the Board.
2. The purpose of this paper is to record the process used for the 2015 Agenda Consultation in sufficient detail to enable the DPOC to assess whether the Board has acted in accordance with paragraphs 4.3 to 4.5 of the *Due Process Handbook*:
 - 4.3 The IASB is required to undertake a public consultation on its work programme every five years by way of a public Request for Information. The IASB normally allows a minimum of 120 days for comment on a work programme (agenda) consultation Request for Information. The primary objective of the review is to seek formal public input on the strategic direction and balance of the IASB's work programme, including the criteria for assessing projects that may be added to the IASB's standards-level programme. The review could also seek views on financial reporting issues that respondents think should be given priority by the IASB, together with any proposals to withdraw from the IASB's work programme any projects that have not proceeded as planned and for which the prospects for progress are limited. Section 5 details how a project is added to the IASB's standards-level programme.
 - 4.4 In addition to the public consultation, the IASB must consult the Advisory Council.
 - 4.5 The IASB must keep the Trustees informed, through the DPOC, of its five-yearly consultation and how the IASB expects to respond to the input it has received. The next consultation should commence at the latest five years after the current consultation has been completed.

Structure of the paper

3. The paper is organised as follows:
 - a. the Request for Views;
 - b. outreach conducted;
 - c. outreach to investors, including an online survey;
 - d. consultation with the IFRS Advisory Council;
 - e. updates to the DPOC; and
 - f. the Board's deliberations.

The Request for Views

4. In August 2015 the Board published for public comment a Request for Views, with comments due by the end of December 2015. The Request for Views was out for comment for 142 days. The *Due Process Handbook* requires a consultation period of 120 days.
5. In the Request for Views the Board asked broad questions on:
 - a. the balance of its activities;
 - b. its research programme;
 - c. its standard-setting projects;
 - d. its maintenance activities and implementation support;
 - e. the level and pace of change; and
 - f. the frequency of its agenda consultations.
6. The Board received 119 comment letters, all of which are available on its website, www.ifrs.org.
7. Comment letter respondents covered a range of jurisdictions and represented a range of different roles:

Geographical region	Number of respondents	Percentage of respondents
Europe	58	49
Asia and Oceania	27	23
North America	10	8
South America	5	4
Africa	4	3
Global	15	13
Total	119	100%

Respondent type	Number of respondents	Percentage of respondents
Preparers and industry organisations	37	31
Standard-setters	27	23
Auditors and accounting bodies	26	22
Users	12	10
Others	10	8
Regulators and government agencies	7	6
Total	119	100%

8. The Board discussed a summary of the comment letters in March 2016. The Agenda Paper discussed, AP24A, is available on the Board’s website:
www.ifrs.org/Meetings/MeetingDocs/IASB/2016/March/AP24A-2015-Agenda-Consultation.pdf.

Outreach conducted

9. As part of its 2015 Agenda Consultation, the Board conducted over 30 outreach events with a number of stakeholders and advisory groups, including the Capital Markets Advisory Committee, other groups of users of financial statements (such as various national Corporate Reporting Users Forums), the Global Preparers Forum, the Emerging Economies Group, regional standard-setting groups and national standard-setters, regional and global regulators, and others. For example, the Board sought advice from the October 2015 meeting of World Standard-Setters. The Accounting Standards Advisory Forum (ASAF) was then asked to discuss the advice from this forum. In June 2016, ASAF also commented on the Board’s draft work plan that resulted from the messages received.
10. Outreach took a variety of forms: face-to-face meetings, sessions at public conferences, audio and video conferences, and local discussion forums.

Outreach to investors, including an online survey

11. The Board held nine meetings with investor representative groups, including a November 2015 public meeting of the Capital Markets Advisory Committee.
12. The Board received 12 comment letters from investors, of which nine reported views from investor representative groups.
13. The Board also conducted an online survey that was aimed at the investor community, with 86 investors and 83 other respondents taking part. Participants were asked their views on the relative importance of the Board’s research projects and about wider corporate reporting and technology issues.
14. Investor feedback was discussed by the Board at its April 2016 meeting. The Agenda Paper discussed, AP24C, is available on the Board’s website:

<http://www.ifrs.org/Meetings/MeetingDocs/IASB/2016/April/AP24C-Agenda-Consultation.pdf>

Consultation with the IFRS Advisory Council

15. The Board sought advice from the IFRS Advisory Council (the Advisory Council) throughout the 2015 Agenda Consultation. The topic was discussed at four public meetings of the Advisory Council—February 2015, June 2015, November 2015 and June 2016. The Advisory Council provided input when the Board was developing the Request for Views; discussed the feedback received on that document; and considered the composition and presentation of the work plan that the Board developed in this process.

Updates to the Trustees

16. Throughout the 2015 Agenda Consultation process, the Board kept the Trustees of the IFRS Foundation informed through regular updates to the DPOC. Updates on the 2015 Agenda Consultation were included in papers to the DPOC in June and October of 2015 and January and June of 2016.
17. In addition, the Board discussed the 2015 Agenda Consultation with the Trustees at their May 2016 meeting. The Trustees will consider the 2015 Agenda Consultation at its October 2016 meeting.

The Board’s deliberations

18. The Board began its deliberations of the results of the 2015 Agenda Consultation in March 2016. During its deliberations, the Board considered 32 Agenda Papers during 20 hours of scheduled time at the Board meetings.
19. All public Board meetings are web cast and recorded. The recordings, Agenda Papers discussed and IASB *Update* of each meeting are available on the Board’s web site. (IASB *Update* is a formal record of the Board decisions made at each meeting.)
20. The Board discussed the 2015 Agenda Consultation at the following public Board meetings.

Agenda Paper	Subject
<i>March 2016 meeting</i>	
24A	Comment letter and outreach summary
24B	Trustees’ Review of Structure and Effectiveness—areas relevant to the 2015 Agenda Consultation

<i>April 2016 meeting</i>	
24B	Effect of comments received on setting the work plan
24C	Overview of investor feedback
24D	Online survey: detailed responses and respondent demographics
8	Research overview
21	Primary Financial Statements
22	Provisions, Contingent Liabilities and Contingent Assets
24E	Discontinued operations
24F	New topics
17	Discount Rates
20	Pollutant Pricing Mechanism
9	Rate Regulated Activities
5	Financial Instruments with Characteristic of Equity
23	Business Combinations under Common Control
<i>May 2016 meeting</i>	
24A	Draft work plan 2017-2021
24B	Interval between agenda consultations
24C	Potential new projects
24 D	Extractive Activities
24E	Foreign currency translation
24F	High Inflation
4	Dynamic Risk Management

11	Cash restrictions and liquidity
13	Definition of a Business
15	Post-employment benefits
16	Share-based Payment
18	Goodwill and Impairment
19	Income Taxes
21	Primary Financial Statements
26	Equity method of accounting
<i>July 2016 meeting</i>	
24	Draft work plan: Advisory Council feedback
<i>September 2016 meeting</i>	
24	Feedback Statement structure and key messages

21. The Board’s findings and its approach to setting its future work plan are summarised in the near-final Feedback Statement appended to Agenda Paper 2G. In particular, the Feedback Statement summarises:
- a. the Board’s approach to setting its work plan, including key themes, interaction with the Trustees’ review of structure and effectiveness and an assessment of standard-setting resources (pages 12-13);
 - b. the role of research in evidence-based standard-setting and feedback received on the research programme (pages 21-23);
 - c. how research projects were selected by the Board for its work plan (pages 23-32); and
 - d. the change in interval between agenda consultations from three to five years (page 33).
22. Members of the DOPC are invited to ask questions or comment on the 2015 Agenda Consultation process as set out in this paper.