

STAFF PAPER

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Accounting Standards Advisory Forum

Project	Accounting Standards Advisory Forum		
Paper topic	IASB Project Update & Agenda Planning		
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This paper has been prepared for discussion at a public meeting of the Accounting Standards Advisory Forum. The views expressed in this paper do not represent the views of the International Accounting Standards Board[®] ("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*.

Introduction

1. The aim of this paper is to:
 - (a) discuss the agenda topics for the December 2016 Accounting Standards Advisory Forum (ASAF) meeting;
 - (b) provide the ASAF with a short update on the International Accounting Standards Board[®] (the Board's) agenda projects; and
 - (c) provide ASAF members with feedback on how the staff or the Board have considered the advice that was given at the July 2016 ASAF meeting.

Project update and agenda planning

2. Appendix A of this paper sets out the suggested agenda topics for the December 2016 ASAF meeting.
3. An update on the Board's work plan, as at 20 July 2016, is summarised in Appendix B of this paper. Further details of the projects are available on the website (<http://www.ifrs.org/Current-Projects/IASB-Projects/Pages/IASB-Work-Plan.aspx>).
4. Appendix C of this paper sets out a table summarising the feedback received at the July 2016 ASAF meeting and how the staff or the Board have used this feedback.

Questions to ASAF members

1. Do ASAF members have any comments on the proposed agenda topics for the December 2016 ASAF meeting?
2. Do ASAF members wish to add items arising from their jurisdiction to the proposed agenda topics?
3. Do ASAF members have any comments on the project update or on when we envisage that the Board will seek the advice of the ASAF?

Appendix A—ASAF Agenda topics

Meeting	Agenda topic
September 2016 (Actual)	<i>Information Needs of Users of New Zealand Capital Markets</i>
	<i>Entity Reports</i>
	Rate-regulated Activities (AcSB and KASB)
	<i>Conceptual Framework</i>
	Definition of a business
December 2016 (Proposed)	Project updates and agenda planning: (i) Feasibility Studies (ii) Working with National Standard-setters and the IASB Work Programme (iii) Working with National Standard-setters and the Disclosure Initiative
	Dynamic Risk Management (EFRAG)
	<i>Conceptual Framework</i>
	IFRS 13 <i>Fair Value Measurement</i> - Post-implementation Review
	Rate-regulated Activities
	Research Projects (i) Financial Instruments with Characteristics of Equity (ii) Goodwill and impairment (iii) Primary Financial Statements
	Project updates and agenda planning

Project Update

Project	Project objectives	Past ASAF input	Future ASAF input
Upcoming Standards			
<p><i>Conceptual Framework</i></p> <p>The ASAF acts as the advisory body for this project.</p>	<p>The objective of the <i>Conceptual Framework</i> project is to improve financial reporting by providing a more complete, clear and updated set of concepts. To achieve this, the Board is building on the existing <i>Conceptual Framework</i>—not fundamentally reconsidering all aspects of the <i>Conceptual Framework</i>.</p>	<p>July 2016</p> <p>Advice was requested on:</p> <ul style="list-style-type: none"> (a) possible refinements to the proposed liability concepts; (b) whether and how to apply the ‘no practical ability to avoid’ concept to classification of liabilities and equity; and (c) possible refinements to the proposed concepts for recognition of assets and liabilities with a low probability of inflows or outflows of economic benefits. <p>April 2016</p> <p>ASAF provided advice on the strategy for developing the <i>Conceptual Framework</i>.</p> <p>The advice of the ASAF was requested on major aspects of the Exposure Draft (ED) during its development.</p>	<p>September 2016</p> <p>Advice is requested on:</p> <ul style="list-style-type: none"> (a) The selection of a relevant measurement basis. (b) The linkage between the reporting of financial performance and measurement. <p>December 2016</p> <p>Advice will depend on how the Board progresses its deliberations of the feedback received on the ED.</p>

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Project	Project objectives	Past ASAF input	Future ASAF input
Disclosure Initiative - Materiality Practice Statement	The objective of this project is to help those involved in the preparation of financial statements apply the concept of materiality.	<p>July 2016</p> <p>Advice was requested on matters arising from the feedback on the ED.</p> <p>December 2015</p> <p>ASAF members' preliminary views on the ED were requested.</p> <p>The advice of the ASAF was requested on the content of the draft Practice Statement.</p>	The Board will discuss the advice from ASAF at its September 2016 meeting. Following this meeting we will determine if further advice is required from ASAF.
Insurance Contracts	The project objective is to provide a single principle-based Standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. The project also aims to enhance comparability of financial reporting between entities, jurisdictions and capital markets. That comparability is largely lacking today because of various accounting practices that have developed in a piecemeal fashion over many years.	The ASAF's advice has been requested on major aspects of the project during the Board's redeliberations of the 2013 ED.	<p>The Standard is now in the balloting process.</p> <p>Further advice from the ASAF is not planned for this project.</p> <p>Field-testing is now being undertaken, in some cases, with support of NSS.</p>

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Project	Project objectives	Past ASAF input	Future ASAF input
Applying IFRS 9 <i>Financial Instruments</i> with IFRS 4 <i>Insurance Contracts</i>	The objective of this project is to address the temporary accounting consequences of the different effective dates of IFRS 9 and the forthcoming insurance contracts Standard.	<p>April 2016</p> <p>The ASAF discussed the feedback from the ED, the Board’s recent tentative decisions, the staff’s recommendations for the April 2016 meeting and the project’s next steps.</p> <p>December 2015</p> <p>The ASAF discussed how it could support the project’s outreach.</p>	It is envisaged that the amendments to the Standard will be issued the week commencing 12 September 2016.
Rate-regulated Activities	The project objective is to identify what information about the financial effects of rate regulation is most relevant to users of financial statements in making investment and lending decisions and to determine how best to reflect that information in financial statements. A discussion paper (DP) was published in September 2014.	<p>April 2016</p> <p>The ASAF discussed an illustrative example in which a government (through a rate regulator) requires the construction of a new water treatment plant.</p> <p>October 2015</p> <p>ASAF discussed the implications of the <i>Conceptual Framework</i> ED on the project and any resulting accounting model for reporting the financial effects of defined rate regulation.</p> <p>July 2015</p> <p>The ASAF’s advice was requested on how best to reflect the effects of the regulatory revenue requirement when the entity performs specified</p>	<p>September 2016</p> <p>The Canadian Accounting Standards Board will present its research findings relating to Rate-regulated Activities.</p> <p>The Korea Accounting Standards Board will discuss the accounting for Rate-regulated Activities from a conceptual perspective.</p> <p>December 2016</p> <p>The IASB staff is developing a model for accounting for rate-regulated activities. We plan to discuss this model with ASAF prior to discussions with the Board in Q1 of 2017.</p>

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Project	Project objectives	Past ASAF input	Future ASAF input
		<p>activities in a different period than the period in which it bills customers for those activities.</p> <p>The advice of ASAF was requested on the features of rate regulation in developing the DP.</p>	
Research Projects			
Principles of Disclosure (POD)	<p>The main objective of this project is to identify new or clarify existing principles of disclosure in IFRS Standards with the aim of helping preparers use judgement when communicating financial information and also help the Board to draft disclosure requirements.</p> <p>The Board will review the existing requirements in IAS 1 <i>Presentation of Financial Statements</i> with a view to amending and building on some of these requirements.</p>	<p>The advice of the ASAF has been requested on major topics to be discussed in the future DP. The ASAF last discussed this project in July 2015.</p>	<p>March 2017</p> <p>It is currently anticipated that the DP will be published in Q4 of 2016 with a 150-day comment period.</p>

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Project	Project objectives	Past ASAF input	Future ASAF input
Primary Financial Statements	<p>The purpose of the Primary Financial Statements project is to examine the purpose, structure and content of these statements, including the relationship between the individual statements.</p>	<p>July 2016</p> <p>ASAF members’ advice was requested on the scope of the project.</p> <p>ASAF also discussed the UK Financial Reporting Council’s staff paper on the Statement of Cash Flows.</p> <p>December 2015</p> <p>ASAF members were provided with a verbal update on the project.</p>	<p>December 2016</p> <p>We plan to discuss the outcome of our initial research and seek further advice on the scope of the project.</p>
Business Combinations under Common Control (BCUCC)	<p>The project objective is to identify which method, or methods, would provide most useful information about BCUC and in particular:</p> <p>(a) whether and when using the predecessor carrying amounts would be most appropriate, and</p> <p>(b) whether and when using fair values would be most appropriate</p> <p>The Board has decided to give priority to considering BCUC when the transactions involve third parties—such as a business</p>	<p>April 2016</p> <p>ASAF discussed the approach to the project.</p> <p>December 2015</p> <p>The Hong Kong Institute of Certified Public Accountants (HKICPA) provided a paper on how BCUC are accounted for in Hong Kong.</p> <p>The staff requested ASAF members’ views on how the predecessor method should be applied when a BCUC takes place.</p> <p>March 2015</p> <p>The views of ASAF were requested on the staff’s preliminary view on which method to apply for a BCUC.</p>	<p>Future advice from ASAF will be requested when the project progresses.</p>

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Project	Project objectives	Past ASAF input	Future ASAF input
	<p>combination in anticipation of an initial public offering; or cases in which the acquiring entity has non-controlling interests.</p>	<p>The ASAF also discussed a paper by the Canadian Accounting Standards Board, which set out the historical and current accounting practices in Canada for BCUCC, with specific reference to the Canadian related party accounting Standard.</p>	
<p>Dynamic Risk Management</p>	<p>The objective of this project is to develop an approach to better reflect entities' dynamic risk management activities in their financial statements and to enhance the usefulness of the financial information to help users of financial statements to better understand such activities. Operational feasibility has also been one of the considerations that have been evaluated when exploring an accounting approach for dynamic risk management.</p>	<p>July 2015</p> <p>Advice was requested on what additional information needs there are relating to an entity's dynamic interest rate risk management activities that were not identified through comment letters on the DP and through outreach activities.</p> <p>The advice of ASAF was requested in developing the DP.</p>	<p>December 2016</p> <p>The European Financial Reporting Advisory Group (EFRAG) will present its research findings on how European banks model core-demand deposits.</p> <p>The staff will seek further advice from the ASAF when EFRAG has completed its research on core demand deposit modelling.</p>

Project Update

Project	Project objectives	Past ASAF input	Future ASAF input
Financial Instruments with Characteristics of Equity	<p>This project is currently investigating whether improvements can be made:</p> <p>(a) to the classification of liabilities and equity in IAS 32 <i>Financial Instruments: Presentation</i>, including investigating potential amendments to the definitions of liabilities and equity in the <i>Conceptual Framework</i>; and</p> <p>(b) to the presentation and disclosure requirements for financial instruments that have equity characteristics, irrespective of whether they are classified as liabilities or equity.</p>	<p>July 2016</p> <p>Advice was requested on how to apply the ‘no practical ability to avoid’ concept to classification of liabilities and equity.</p> <p>March 2015</p> <p>The ASAF discussed examples of financial instruments with characteristics of equity. The ASAF also discussed the feedback on EFRAG’s DP <i>Classification of Claims</i>.</p> <p>ASAF has provided advice on the scope of this project.</p>	<p>December 2016</p> <p>Advice to be sought will depend on how the Board progresses in its deliberations</p>

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Project	Project objectives	Past ASAF input	Future ASAF input
Goodwill and Impairment	<p>Three areas of focus identified in the Post-implementation Review of IFRS 3 <i>Business Combinations</i> ('the PIR') are being considered:</p> <ul style="list-style-type: none"> (a) whether changes should be made to the existing impairment test for goodwill and other non-current, non-financial assets; (b) subsequent accounting for goodwill, including the relative merits of an impairment-only approach and an amortisation and impairment approach; and (c) the extent to which other intangible assets should be separated from goodwill. 	<p>July 2016</p> <p>The findings from the research on Goodwill and Impairment undertaken by the Accounting Standards Board of Japan and European Financial Reporting Advisory Group were discussed.</p> <p>December 2015</p> <p>ASAF members' views on the Board's tentative decisions from the Board meetings in October and November 2015 were discussed.</p> <p>The ASAF discussed the findings from the PIR in March 2015.</p>	<p>December 2016</p> <p>We will discuss the tentative decisions, if any, of the project work to date.</p>
Discount Rates	<p>This research project is reviewing discount rate requirements in Standards, explaining why those differences exist and assessing whether there are any inconsistencies that the Board should address.</p>	<p>The ASAF has previously discussed the approach to this project.</p> <p>July 2015</p> <p>The findings of the research work were discussed with the ASAF.</p>	<p>This research project is nearing completion and it is not expected that further advice will be requested from ASAF.</p>

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Project	Project objectives	Past ASAF input	Future ASAF input
Share-based Payment	The objective of this project was 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.	<p>April 2016</p> <p>ASAF members' views were requested on the possible next steps in this project.</p>	<p>In May 2016, the Board completed its assessment of this project and plans no further work.</p> <p>The staff are considering how best to make the work performed visible and retrievable. It is not expected that further advice will be requested from ASAF.</p>
Research pipeline			
Equity Method of Accounting	The project reviews the circumstances in which the equity method is applied in current Standards, with the objective of identifying the financial reporting problems arising from the application of the equity method.	<p>December 2015</p> <p>EFRAG presented a paper on a proposed scope for the project.</p> <p>October 2015</p> <p>The ASAF provided views on possible changes to the equity method of accounting.</p> <p>The advice of the ASAF has previously been requested on the scope of the project.</p> <p>The ASAF has also discussed the Korea Accounting Standards Board (KASB) research paper, <i>The Equity Method</i>, and the short paper by the European Financial Reporting Advisory Group (EFRAG), <i>A One-line Consolidation or a Measurement Basis?</i></p>	<p>Future advice from ASAF will be requested after the PIR 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>.</p>

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Project	Project objectives	Past ASAF input	Future ASAF input
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 this significant global industry.		This project has not started.
Pollutant Pricing Mechanisms	The objective of the project is to develop an analysis of the common economic characteristics of a variety of schemes to identify their financial effects before making an initial assessment of the potential financial reporting issues.	<p>October 2015</p> <p>At this meeting, initial views were requested on some <i>Conceptual Framework</i>-related issues arising from that possible accounting method.</p> <p>July 2015</p> <p>The ASAF's advice was requested on possible accounting approaches to address a fact pattern relating to a particular pollutant pricing mechanism; a cap-and-trade type of emissions trading scheme (ETS).</p>	Future advice from ASAF will be requested when the project restarts.

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Project	Project objectives	Past ASAF input	Future ASAF input
Provisions	<p>The objective of this research project is to decide:</p> <p>(a) whether to add to the Board’s work plan a project to amend aspects of IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i>; and</p> <p>(b) if so, which aspects of IAS 37 should be within the scope of the project and what possible solutions the Board should consider.</p>	<p>October 2015</p> <p>The ASAF discussed the feedback from the WSS meeting.</p> <p>July 2015</p> <p>The ASAF’s advice was requested on the objectives of the project, problems with IAS 37 and implications for the <i>Conceptual Framework</i>.</p>	<p>Future advice from ASAF will be requested when the project becomes active again, which is likely to be when the <i>Conceptual Framework</i> is nearer completion.</p>
Variable and contingent consideration	<p>The project will consider the cross-cutting issue that has arisen in several topics and has been discussed by the IFRS Interpretations Committee and the Board.</p>		<p>This project has not started.</p>

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Proposed feasibility studies (to assess whether it is feasible to develop targeted amendments)			
High Inflation	The study will 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 inflation, rather than hyperinflation, without amending other requirements of IAS 29.	<p>April 2016 GLASS presented a further paper to the ASAF requesting an extension to the scope of IAS 29 to cover economies subject to high inflation, rather than hyperinflation.</p> <p>December 2014 The ASAF received a presentation from the Group of Latin-American Standard-Setters (GLASS).</p>	The feasibility study has not started.
Pensions: benefits that depend on asset returns	The study will assess whether it is feasible to develop an approach that focuses on the relationship between the cash flows included in the measurement of these pension benefits and the discount rate.	<p>December 2015 ASAF members' views were requested on possible approaches that may address hybrid plans.</p>	The feasibility study has not started.
Small and Medium-sized Entities (SMEs) that are subsidiaries	The study will assess whether it is feasible to permit subsidiaries that are SMEs to use the recognition and measurement requirements in IFRS Standards and the disclosure requirements for the IFRS for SMEs.		The feasibility study has not started.

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Maintenance projects as at 20 July 2016			
<i>(The Board does not normally seek the advice of the ASAF on these projects because the Board is advised by the IFRS Interpretations Committee.)</i>			
Project	Objective	Status	Next steps
Changes in Accounting Policies and Estimates	The objective of the proposed amendment is to clarify the existing distinction between a change in accounting policy and a change in accounting estimate.	July 2016 ASAF member provided views on the draft proposals as set out and discussed at the April 2016 Board meeting.	The Board will consider the feedback from ASAF at its September 2016 meeting.
Clarifications to IFRS 8 arising from the Post-implementation Review	The objective of the project is to clarify IFRS 8 <i>Operating Segments</i> with respect to issues identified by the PIR.	At its meeting in June 2015 the Board confirmed that it is satisfied that all due process steps to date have been complied with and instructed the staff to commence the balloting process for the ED.	Publish an ED within 6 months.
Classification of Liabilities (Proposed amendments to IAS 1)	The objective of this project is to clarify when rights to defer settlement affect the classification of liabilities.	At its December 2015 meeting the Board considered a summary of feedback on the ED. At its February 2016 meeting the Board started to	Because the project focuses on the nature of rights and obligations, further discussion will take place after the

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		discuss some of the main comments received on the ED.	<i>Conceptual Framework</i> is progressed.
Definition of a Business and Accounting for Previously Held Interests (Proposed amendment to IFRS 3 and IFRS 11)	The project aims to resolve the difficulties that arise when an entity is determining whether it has acquired a business or a group of assets.	Out for comment.	ED published June 2016. This project is being discussed at the September 2016 ASAF meeting.
Foreign Currency Transactions and Advance Consideration (Draft Interpretation)	To provide guidance for identifying the date of the transaction for recognition of income, asset or liability when advance consideration is paid or received and denominated in a foreign currency.	The Interpretation is in the balloting process. Ratification from the Board for the Interpretation will be requested in Q4 of 2016.	To issue the Interpretation within 6 months.
Remeasurement on 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)	To clarify: (a) the availability of a refund of a surplus from a defined benefit plan when an independent trustee has a unilateral power; and (b) the remeasurement on a plan amendment, curtailment or settlement.	An ED was published in June 2015 and closed for comment in October 2015. The Interpretations Committee discussed a summary of comment letters at its meeting in July 2016.	To decide on the project's direction within 3 months.

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<p>Transfer of Investment Property (Proposed amendments to IAS 40)</p>	<p>This narrow-scope amendment will propose to bring the guidance on transfers of investment property more in line with the principle for classification of investment property.</p>	<p>ED published in December 2015. At its meeting in July 2016 the Board tentatively decided to proceed with finalising the amendments to IAS 40.</p>	<p>To issue the amendment to IAS 40 within 6 months.</p>
<p>Uncertainty over Income Tax Treatments (Draft Interpretation)</p>	<p>To provide guidance for the recognition and measurement of current tax, deferred tax liabilities and deferred tax assets when there is uncertainty in income taxes.</p>	<p>Draft Interpretation published in October 2015. The Committee discussed a summary of the feedback on the draft Interpretation at its meeting in July 2016.</p>	<p>To decide on the project's direction within 3 months.</p>
<p>Annual Improvements to IFRS 2014–2016 Cycle & 2015-2017 Cycle</p>	<p>The Board has adopted the Annual Improvements process to deal efficiently with a collection of narrow-scope amendments to Standards, even though the amendments are unrelated.</p>	<p>The Board confirmed at its meeting in July 2016 that:</p> <ul style="list-style-type: none"> (a) it had completed all the necessary due process steps in relation to the 2014–2016 Cycle. (b) it had completed all the necessary due process steps in relation to proposing amendments within the 2015-2017 Cycle. 	<p>To issue 2014-2016 final amendments within 6 months. To publish 2015-2017 ED of proposed amendments within 6 months.</p>

Topic	Advice	Action
Conceptual Framework and Financial Instruments with Characteristics of Equity (FICE)		
Concepts to Support the Liability Definition	Several ASAF members expressed concerns about including a ‘present claim against the entity by another party’ in the concepts supporting the liability definition.	These, and other possible changes to the concepts proposed to support the liability definition, will be discussed by the Board at a forthcoming meeting. ASAF members’ advice will be noted in the staff papers prepared for the meeting.
Reducing the risk of future changes	Some ASAF members disagreed with the staff suggestion not to include the statement (proposed in paragraph 4.30 of the Exposure Draft) that an obligation of an entity to transfer its own equity claims is not an obligation to transfer an economic resource.	
FICE project—Economic Compulsion	<p>Most ASAF members expressed concerns about considering economic compulsion in distinguishing between liabilities and equity.</p> <p>A few ASAF members agreed with considering economic compulsion in distinguishing between liabilities and equity, they noted that if the intention is to apply the <i>Conceptual Framework</i> consistently, then consideration of economic compulsion is inevitable.</p>	The Board is planning to discuss economic compulsion at a forthcoming meeting.
Recognition – low probability of a flow of economic benefits	<p>Most ASAF members who commented expressed broad support for a staff suggestions for refining the proposed concepts relating to the recognition of assets and liabilities with a low probability of inflows or outflows of economic benefits.</p> <p>ASAF members suggested a number of topics that could be added to the guidance.</p>	The Board discussed this topic at its meeting in July 2016. ASAF members’ advice was reported to the Board at the start of the discussion. The Board tentatively decided that the proposed concepts should be refined in the manner suggested by the staff.

Disclosure Initiative—Materiality Practice Statement		
<p>A two-element approach to identifying material information</p>	<p>ASAF members were asked for their views on a proposal set out in the agenda paper for a two-element approach to materiality. Some ASAF members expressed concerns about the first element of the two-element approach, including that the first element should not principally comprise a quantitative assessment and should include a qualitative assessment.</p> <p>ASAF members made a number of comments on the second element.</p>	<p>The staff have revised their proposals in respect of the two-element approach to identifying material information and the materiality judgement process in response to the advice received from the ASAF. The revised staff proposals will be presented to the Board in September 2016.</p>
<p>Identifying subsets of primary users</p>	<p>ASAF members were asked for their views on proposed additional guidance that would require management to identify only the major subsets of primary users (and not minor subsets or particular users) when assessing primary users’ information needs. Some ASAF members expressed general concerns about an approach based on ‘subsets of primary user’.</p>	<p>After reflecting on the advice from ASAF in respect of identifying subsets of users, the staff will propose to the Board in September 2016 that the Materiality Practice Statement does not contain guidance on identifying subsets of primary users but instead focuses on the need to meet the common information needs of a broad range of primary users.</p>
<p>Materiality Judgement Process</p>	<p>ASAF members were asked to comment on the proposed four-step approach, set out in agenda paper 2B of the meeting, which aims to improve the practicability of the guidance in the draft Practice Statement.</p> <p>Overall, ASAF members viewed the proposed four-step approach as helpful. ASAF members encouraged the staff to develop practical illustrative examples of materiality judgements, focusing on circumstances where judgement is more complex.</p>	<p>After reflecting on the advice from ASAF in respect of identifying subsets of users, the staff will propose to the Board in September 2016 that the Materiality Practice Statement does not contain guidance on identifying subsets of primary users but instead focuses on the need to meet the common information needs of a broad range of primary users.</p>

Primary Financial Statements		
	<p>The staff presented agenda paper 3A and the problems identified during initial staff research into the structure and content of the statement(s) of profit or loss and OCI.</p> <p>Many ASAF members supported the project’s initial focus on the structure and content of the statement(s) of profit or loss and OCI.</p> <p>Many ASAF members supported the suggestion that the Board should explore defining additional subtotals in the statement(s) of profit or loss and OCI.</p> <p>Some ASAF members thought that the Board should undertake research on how to distinguish profit or loss from other comprehensive income (OCI), as part of this project.</p> <p>The use of Alternative Performance Measures (APMs) and the Board’s role was discussed.</p>	<p>Input from ASAF members will be considered as we develop a detailed scope for this project. It is anticipated the project’s scope will be defined by the end of 2016.</p>

Primary Financial Statements—Improving the Statement of Cash Flows		
The objective of the statement of cash flows	Some ASAF members did not support amending the objective of the statement of cash flows to ‘assisting an assessment of the entity’s liquidity and changes in that liquidity’.	Comments from ASAF members will be considered by the staff of the UK FRC as they finalise their Discussion Paper.
The classification of cash flows	ASAF members had mixed views about the suggestion to define cash flows from operating activities positively, rather than as a default category.	
Cash equivalents and the management of liquid resources	ASAF members reported mixed views on this suggestion in the draft DP that the statement of cash flows should report inflows and outflows of cash, rather than cash and cash equivalents, and that a separate section of the statement of cash flows should report cash flows relating to the management of liquid resources.	
General Comments	<p>ASAF members made the following general comments:</p> <ul style="list-style-type: none"> (a) A major overhaul of the statement of cash flows should not be a priority. If the Board decides to amend the requirements for the statement of cash flows, it should do so in the context of a complete set of financial statements and not in isolation. (b) The DP should include a feedback summary explaining the work that has been done in the past, including the 2010 IASB staff draft developed in the Financial Statement Presentation project. (c) There is a view that management are generally too focused on cash flows when explaining what is going on in their business. To counter this managers should be reminded why the accrual basis of accounting is important. 	

2015 Agenda Consultation:		
Draft work plan 2017-2021	<p>ASAF members discussed the draft work plan 2017-2021. ASAF members generally agreed with the balance and contents of that plan and were broadly supportive of the Board’s conclusions.</p> <p>The focus on implementation support was well received.</p> <p>The theme of better communication was generally supported.</p> <p>Individual ASAF members commented on specific projects in the research programme.</p>	<p>The Board considered the feedback from ASAF at its July 2016 meeting.</p> <p>That feedback will be included in the Board’s Feedback Statement, which will be published later this year.</p>
Quantitative Study on Goodwill and Impairment		
<p>EFRAG and the ASBJ presented a paper on quantitative data to facilitate the Board’s discussions related to the accounting for goodwill.</p>	<p>ASAF members asked questions and provided feedback on the quantitative study.</p>	<p>The ASBJ and EFRAG representatives concluded by saying that they are continuing the joint project and research on goodwill and impairment, whilst considering both the method and costs.</p>
Amendments to IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>		
<p>Proposed amendments to IAS 8</p>	<p>Nearly all ASAF members believed that the Board should proceed with publishing the ED because, in their view, the amendments would clarify IAS 8.</p> <p>Most of the discussion on wording revolved around the issue of whether to introduce a threshold (ie ‘equally or more representative’) that entities would have to pass in order to justify changes in estimation techniques and valuation techniques.</p>	<p>The Board will consider the feedback from ASAF at its September 2016 meeting.</p>

	ASAF members supported the idea of publishing the ED simultaneously with another consultation document.	
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