

STAFF PAPER

September 2016

IASB Meeting

Project	Conceptual Framework		
Paper topic	Cover paper		
CONTACT(S)	Jelena Voilo	jvoilo@ifrs.org	+44 (0)20 7246 6914
	Yulia Feygina	yfeygina@ifrs.org	+44 (0)20 7246 6410

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*.

Purpose of this meeting

1. At this meeting we are planning to discuss what guidance should be included in the revised *Conceptual Framework for Financial Reporting* on:
 - (a) the reporting entity;
 - (b) presentation and disclosure;
 - (c) asymmetry in treating gains and losses;
 - (d) the definition of equity; and
 - (e) materiality.
2. In addition, we are planning to hold an Education Session on the concepts described in the staff's proposed redraft of key sections of the measurement chapter. The Board will not be asked to make any decisions on this topic at this meeting and we are not seeking drafting comments from the Board.
3. This paper describes:
 - (a) the papers for this meeting; and
 - (b) next steps.

Papers for this meeting

4. Agenda Paper 10A *Summary of tentative decisions* provides a summary of tentative decisions made so far in the course of deliberations on the Exposure Draft *Conceptual Framework for Financial Reporting* (the Exposure Draft). It is provided for information purposes only and we do not plan to discuss it at the meeting.
5. Agenda Papers 10B–10F provide staff recommendations and ask the Board for decisions. These papers discuss:
 - (a) Agenda Paper 10B *Reporting entity*—whether any changes are needed to the discussion about a reporting entity in the light of the comments received on the Exposure Draft. It further discusses the going concern assumption and the perspective from which financial statements are prepared.
 - (b) Agenda Paper 10C *Presentation and disclosure*—whether any changes are needed to the discussion about presentation and disclosure in the light of the comments received on the Exposure Draft.
 - (c) Agenda Paper 10D *Asymmetry in treating gains and losses*—whether and if so how the revised *Conceptual Framework* should acknowledge that gains can be treated differently to losses and assets differently to liabilities.
 - (d) Agenda Paper 10E *Definition of equity and supporting discussion*—whether any changes are needed to the definition of equity and the discussion proposed to support that definition. It further considers comments on the discussion in the measurement chapter regarding equity.
 - (e) Agenda Paper 10F *Materiality*—whether any changes are needed to the discussion of materiality in Chapter 2—*Qualitative characteristics of useful financial information* of the Exposure Draft.
6. Agenda Papers 10G–10I are provided for the Education Session. The purpose of this session is to obtain initial reactions from the Board on the concepts described in the staff’s proposed redraft of key sections of the measurement chapter, in particular on the factors to consider when selecting a measurement basis. The papers for this session are as follows:

- (a) Agenda Paper 10G *Measurement: redrafting the factors to consider in selecting a measurement basis* provides background information, summarises the proposed changes to the measurement chapter and seeks the Board's views on the proposals;
- (b) Agenda Paper 10H *Measurement: suggested redraft of parts of Chapter 6* provides the staff's proposed redraft of the relevant sections of the measurement chapter; and
- (c) Agenda Paper 10I *Measurement* provides a set of slides to assist in focusing the discussion.

Next steps

- 7. At the October Board meeting we plan to discuss:
 - (a) the definition of a liability and the concepts supporting that definition;
 - (b) executory contracts;
 - (c) derecognition;
 - (d) measurement;
 - (e) capital maintenance;
 - (f) unit of account;
 - (g) business activities and long-term investment; and
 - (h) the Exposure Draft *Updating References to the Conceptual Framework*.