IFRS® Foundation

Supporting implementation and application of IFRS Standards

❀ IFRS®
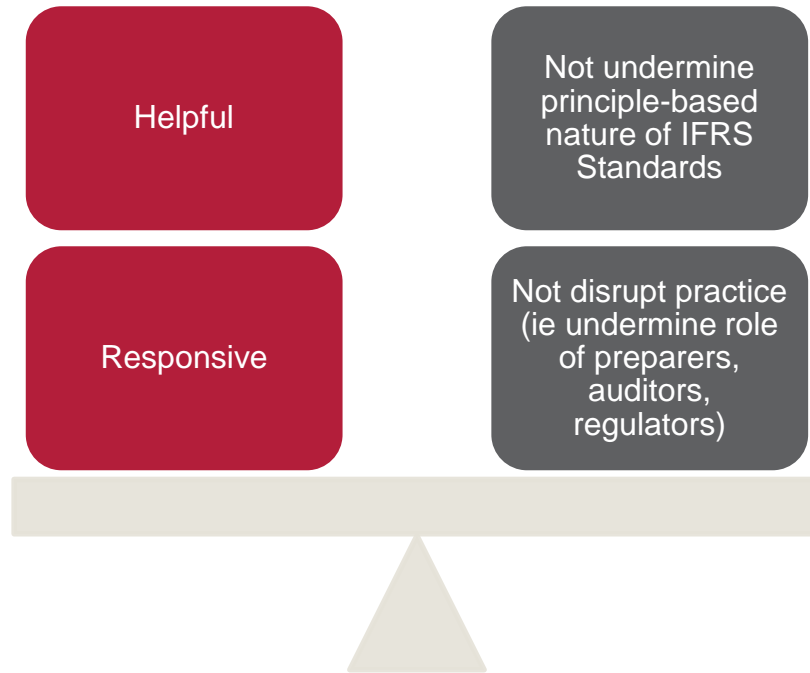
Objective of this session

- The International Accounting Standards Board (the Board) and the IFRS Interpretations Committee (the Committee) are active in supporting the implementation and application of IFRS Standards.

- From discussions with stakeholders, it is clear that improvements can be made on how we communicate this support, particularly in the context of the work of the Committee.

- We've included an overview of improvements to communication on slide 14. The objective of this session is to obtain your advice on specific actions we could take to improve that communication.

To provide context for the discussion, slides 3-10 provide background on the support the Board and the Committee provide.

Slides 12 and 13 include other identified improvements regarding our work with National Standard Setters (NSS) and the work of the Committee—these have been provided for your information.

IFRS

Supporting implementation and application of IFRS Standards

Overall challenge for us as the standard-setter is to balance…

Helpful	Not undermine principle-based nature of IFRS Standards
Responsive	Not disrupt practice (ie undermine role of preparers, auditors, regulators)

IFRS

Different forms of support

ent support the Standards in different ways:

- Support for new Standards (ie IFRS 9, IFRS 15 IFRS 16, forthcoming IFRS 17)—see slide 5

- Support for Standards already effective—see slide 7

Support for new Standards

- Board and Committee public discussions on new Standards (eg IFRS 15, IFRS 9)

- Transition Resource Groups (eg revenue, impairment)

- Educational webcasts (eg IFRS 16, IFRS 9)

- Other education materials (eg articles for investors and others)

- Informal technical discussions with NSS, regulators and accounting firms

- Education sessions for regulators, NSS and investors

- Conferences

- Narrowly-focussed standard setting (although very high hurdle for change)

Support for new Standards

IFRS 15 Implementation page
go.ifrs.org/IFRS15-implementation

IFRS 15 Revenue from Contracts with Customers: Implementation

This page provides an overview of all of the activities undertaken by the International Accounting Standards Board (the Board) to support implementation of IFRS 15. It will be updated throughout the implementation phase of this Standard.

Overview materials

Project Summary and Feedback Statement	May 2014
Joint IASB and FASB webcast: *IN FOCUS: Revenue from Contracts with Customers*	June 2014
IASB member article—Patricia McConnell: *Investor Perspective: 'Revenue recognition: finally, a Standard approach'*	June 2014

Summaries of issues discussed at TRG Meetings

July 2014
October 2014
January 2015
March 2015
July 2015
November 2015

The complete log of submissions received by the TRG as at 2 November 2015 (with hyperlinks to staff papers, meeting summaries, etc) is available **here**.

IFRS 16 Implementation page
go.ifrs.org/IFRS16-implementation

IFRS 16 Leases: Implementation

IFRS 16 *Leases* was issued by the International Accounting Standards Board (the Board) on 13 January 2016 and has a mandatory effective date of 1 January 2019. The Board is currently undertaking a number of activities to support implementation of the Standard. This page will be updated throughout the implementation phase with information relating to these activities.

Educational and implementation materials

In addition to the materials provided with IFRS 16 itself, including the Illustrative Examples, various materials that support implementation of IFRS 16 have already been published or are planned. These are summarised below. Throughout the implementation phase, the Board will monitor implementation and will consider whether additional materials might be helpful.

Materials published alongside IFRS 16

Video: IASB Chairman Hans Hoogervorst introduces the new Leases Standard	January 2016
Project Summary and Feedback Statement	January 2016
Effect Analysis	January 2016

Webcasts and podcasts by IASB staff

Introducing IFRS 16	January 2016
Transition to IFRS 16	March 2016
IFRS 16: Definition of a lease	April 2016
IFRS 16: Exemptions—Discussion with Board Member Sue Lloyd	April 2016

Support for Standards already effective

- Public discussions at Committee meetings of application questions submitted (see slides 8-10 regarding the work of the Committee)

- Agenda decisions that include educative material explaining how to apply the relevant principles and requirements (see slide 16—16 topics discussed in 2016 resulted in educative agenda decisions)

- Narrow-scope standard setting
  - Narrow-scope amendments (including annual improvements)
  - IFRS Interpretations

- Education materials (eg materials supporting the IFRS for SMEs and IFRS 13)

- Informal technical discussions with NSS and regulators

The work of the Committee

- The process
  - allows anyone to submit a question for discussion by the Committee
  - is specified in the due process handbook (full transparency)
  - is a formalised way that we support the Standards, which might result in standard-setting

The next few slides explain the work of the Committee by describing the various outputs that result from considering questions submitted by stakeholders.

The work of the Committee—outputs (standard-setting)

If the Board or the Committee decide to add a narrow-scope project to the standard-setting agenda:

Form of standard-setting

When?

Narrow-scope Amendment	When an identified issue can be resolved effectively by changing existing requirements in Standards.
Annual Improvement	A form of narrow-scope amendment, but for minor issues—to clarify wording or correct minor conflicts/oversights.
IFRIC Interpretation	When an identified issue can be resolved effectively by adding to existing requirements, without changing them.

❀IFRS®

The work of the Committee—outputs (agenda decisions)

If the Committee decides <u>not</u> to add a narrow-scope project to the standard-setting agenda:

Form of agenda decision[1]

When?

Educative—includes information on how to apply the relevant principles and requirements

It is not necessary to add to or change the Standards because the existing principles and requirements provide an adequate basis for a company to determine its accounting.

Explains why a standard setting project is not added

(a) The question is not one that the Board or Committee need to answer because it is not widespread or does not have a material effect on any company affected.

(b) The issue can be addressed effectively only by considering it in a broader context. Otherwise, any narrow standard-setting risks creating new questions or inconsistencies. The issue is reported to the Board, and considered as part of Board's Agenda setting process.

[1] All agenda decisions are open to comment for 60 days

❀IFRS

Improvements to the existing process

Reflected in 2017 strategic plan

Improvements to existing process

Working with NSS

- Communicate regularly about the Board and Committee's activities to support implementation and application of the Standards (eg at IFASS meetings; via NSS-tailored webcasts)
- Discuss where NSS can provide education materials to support application of the Standards to jurisdiction-specific issues
- Encourage discussion of practice issues among NSS
- Continue to discuss technical issues with NSS informally to support NSS in their role as jurisdictional/regional thought leaders
- Provide education to NSS on new Standards

IFRS

Improvements to existing process (cont.)

The work of the Committee

- Continue to focus on the quality of (a) technical analysis in agenda papers, and (b) drafting of narrow-scope changes to Standards
- Deciding whether to add an issue to the standard-setting agenda?
  - Improve the rigour of analysis of the decision-making process in agenda papers
  - Work with the Committee to achieve consistency in decision-making
  - Use Board discussions for particular questions on new Standards
- Co-operation between the Board and the Committee
  - Important aspect of Committee Chair's role
  - Board member observers to the Committee provide their views during Committee discussions, where relevant

Improvements to existing process (cont.)

Communication

- More information about the Board and staff's activities to support implementation and application of the Standards, including the activities of the Interpretations Committee (eg quarterly podcasts)
- Greater clarity about the interpretations process, and visibility of educative agenda decisions (eg via the new website)
- Formalise the reporting of issues that are too broad to the Board, and the Board's consideration of those issues
  - If not added as a standard-setting project, explain the reasons why to stakeholders

IFRS Foundation

Overview of 2016 Committee activities

Overview of 2016 Committee activities

6 Committee meetings held in 2016

25 were addressed

16 Agenda Decisions with educative guidance [1]

9 Amendments or additions to IFRS Standards

33 topics discussed

6 too broad for the Committee & considered by the Board

1 picked up in active research projects

4 picked up in pipeline research projects/PIRs

1 Board decided not a priority in Agenda Consultation

2 still to be considered by the Board

[1] Published on our website and in the Green Book

IFRS

Question for the Council

- What is your advice on specific actions we could take to improve the communication about IFRS implementation and application support?

IFRS