

**Technical activities: update****Purpose**

1. This paper provides the IFRS Advisory Council with a summary of the individual technical activities of the International Accounting Standards Board® ('the Board').
2. The tables on the following pages include technical summaries as follows:
  - (i) Standard-setting and related projects;
  - (ii) Research projects;
  - (iii) Narrow-scope amendments and IFRIC implementations;
  - (iv) IFRS Taxonomy;
  - (v) Post-implementation reviews; and
  - (vi) Documents issued in 2016.

PROJECT	OBJECTIVE
<b>Standards-setting and related projects</b>	
<b>Insurance Contracts</b> IFRS 17 <i>Insurance Contracts</i> will be issued in 2017.	To improve financial reporting by providing consistent accounting for insurance contracts and to make it easier for users of financial statements to understand how insurance contracts affect an entity's financial position, financial performance and cash flows.
<b>Disclosure Initiative—Materiality Practice Statement</b> The Practice Statement will be issued in 2017.	To provide guidance on the application of materiality in preparing IFRS financial statements.
<b>Disclosure Initiative—Definition of Material</b> An Exposure Draft is expected to be issued in the first half of 2017.	To refine the definition of material and clarify its characteristics when used in preparing financial statements.
<b>Rate-regulated Activities</b> A Discussion Paper is expected to be published in 2017.	To consider whether (or how) IFRS Standards should be amended to reflect how entities report the effects of rate regulation.
<b>Conceptual Framework</b> In 2017 we will be occupied with drafting and completing the revised <i>Conceptual Framework for Financial Reporting</i> .	To provide the Board with a more complete, clear and updated set of concepts to use when it develops or revises IFRS Standards.
<b>Research projects</b>	
The purpose of the research programme is to collect evidence on the nature and extent of perceived financial reporting problems and assess ways to improve financial reporting or remedy a deficiency to help the Board decide whether it should start an IFRS Standards project. The research programme is a portfolio of projects of varying breadth, scope and complexity.	
<b>Disclosure Initiative: Principles of Disclosure</b> The Discussion Paper will be published shortly.	To explore whether guidance in IFRS Standards helps entities determine the basic structure and content of a complete set of financial statements can be improved.
<b>Financial Instruments with Characteristics of Equity</b> A Discussion Paper is expected to be published in 2017.	To investigate if improvements can be made in how companies classify financial instruments that have characteristics of both liabilities and equity. The project will examine both presentation and disclosure requirements.
<b>Primary Financial Statements</b> The Board has commenced its technical discussions.	To examine targeted improvements to the structure and content of the primary financial statements with a particular focus on the statement(s) of financial performance and the statement of cash flows.
<b>Goodwill and Impairment</b> The Board has continued its technical discussions in the first half of 2017.	To assess whether, and if so how, to address issues raised in the post-implementation review of IFRS 3 <i>Business Combinations</i> . Issues include identifying and measuring intangible assets acquired in a business combination; subsequent accounting for goodwill and impairment testing of goodwill and of other non-current, non-financial assets.
<b>Business Combinations under Common Control</b> Work on this project will recommence in 2017.	To determine if diversity in accounting for business combinations under common control can be reduced; currently IFRS Standards do not address such transactions.
<b>Dynamic Risk Management</b> Work on this project will continue in 2017.	To assess whether the Board can develop an approach to reporting dynamic risk management activities. The Board received diverse views on the Discussion Paper <i>Accounting for</i>

	<i>Dynamic Risk Management: A Portfolio Revaluation Approach to Macro Hedging</i> published during 2014.
<b>Discount Rates</b> The Board concluded the work on this project in March 2017 and plans to publish a summary of the research findings in mid-2017.	To review discount rate requirements in IFRS Standards to identify whether there are any inconsistencies the Board should consider addressing.
<b>Share-based Payments</b> The Board has concluded the work on this project and plans to publish a summary of the research findings in mid-2017.	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.
<b>Narrow-scope amendments and IFRIC Interpretations</b>	
<b>Accounting Policies and Accounting Estimates</b> An Exposure Draft is expected to be published in the first half of 2017.	To clarify the existing distinction between a change in an accounting policy and a change in an accounting estimate.
<b>Classification of Liabilities</b> The Board will recommence its technical discussions in the first half of 2017.	To clarify when rights to defer settlement affect the classification of liabilities.
<b>Definition of a Business</b> Work on this project will continue in 2017.	To resolve the difficulties that arise when an entity is determining whether it has acquired a business or a group of assets.
<b>Previously Held Interests in a Joint Operation</b> Work on this project will continue in 2017.	To clarify the accounting when an entity obtains control or joint control of another entity in which it previously held interests in the assets and liabilities of a joint operation.
<b>Improvements to IFRS 8 <i>Operating Segments</i></b> An Exposure Draft was published in March 2017.	To clarify IFRS 8 <i>Operating Segments</i> with respect to issues identified by the post-implementation review concerning the definition and role of the chief operating decision maker.
<b>Plan Amendment, Curtailment or Settlement / Availability of a Refund</b> An amendment is expected to be issued in the first half of 2017.	To clarify: <ul style="list-style-type: none"> <li>(a) the accounting when a plan amendment, curtailment or settlement occurs; and</li> <li>(b) the availability of a refund of a surplus from a defined benefit plan when independent trustees have particular powers.</li> </ul>
<b>Property, Plant and Equipment—Proceeds before Intended Use</b> An Exposure Draft is expected to be published in the first half of 2017.	To address diversity relating to proceeds from selling items produced while an item of property, plant and equipment is being developed for use.
<b>Prepayment Features with Negative Compensation</b> An Exposure Draft is expected to be published in the first half of 2017.	To examine whether amortised cost measurement would provide relevant and useful information for instruments that contain symmetric prepayment options and otherwise have contractual cash flows that are solely payments of principal and interest.
<b>Uncertainty over Income Tax Treatments (IFRIC Interpretation)</b> The Interpretation will be issued in the first half of 2017.	The objective of this project is to provide requirements on the recognition and measurement of current and deferred tax liabilities when there is uncertainty over income tax treatments.

<p><b>Annual Improvements 2015-2017</b></p> <p>An Exposure Draft was published in January 2017.</p>	<p>The Board has adopted the Annual Improvements process to deal efficiently with a collection of unrelated minor amendments to IFRS Standards.</p>
<b>IFRS Taxonomy</b>	
<p>The IFRS Taxonomy aims to provide a tool to help entities digitally report IFRS financial statements (including those prepared under IFRS for SMEs). The taxonomy is a classified scheme of IFRS presentation and disclosure requirements. It is the only official representation of those requirements in a taxonomy form.</p>	
<p><b>Common Practice Taxonomy Update</b></p> <p>An Exposure Draft was published in December 2016.</p>	<p>The Update describes proposed additions to the IFRS Taxonomy for disclosures that are common practice in agriculture, leisure, franchises, retail and financial institutions.</p>
<p><b>IFRS 17 Insurance Contracts</b></p> <p>The proposed taxonomy update will be published with IFRS 17 <i>Insurance Contracts</i>.</p>	<p>A proposed Taxonomy Update based on the presentation and disclosure requirements of the new Insurance Contracts Standard is being developed.</p>
<b>Post-implementation Reviews</b>	
<p>In 2016, the staff conducted research for Phase 1 of the Post Implementation Review of IFRS 3 <i>Fair Value Measurement</i>. The Board intends to publish a request for information on this topic in May 2017.</p>	

Issued in 2016	Issued date	Effective date
<b>Standard-setting and related projects</b>		
Clarifications to IFRS 15 <i>Revenue from Contracts with Customers</i>	April 2016	1 January 2018
IFRS 16 <i>Leases</i>	January 2016	1 January 2019
<b>Narrow-scope amendments</b>		
<i>Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)</i>	January 2016	1 January 2017
<i>Disclosure Initiative (Amendments to IAS 7)</i>	January 2016	1 January 2017
<i>Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)</i>	June 2016	1 January 2018
<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)</i>	September 2016	1 January 2018
<i>Annual Improvements 2014-2016:</i>		
IFRS 12 <i>Disclosure of Interests in Other Entities: Clarification of the scope of the Standard</i>	December 2016	1 January 2017
IFRS 1 <i>First-time Adoption of International Financial Reporting Standards: Deletion of short-term exemptions for first-time adopters</i>	December 2016	1 January 2018
IAS 28 <i>Investments in Associates and Joint Ventures: Measuring an associate or joint venture at fair value</i>	December 2016	1 January 2018
<i>Foreign Currency Transactions and Advance Consideration (IFRIC Interpretation 22)</i>	December 2016	1 January 2018
<i>Transfers of Investment Property (Amendments to IAS 40)</i>	December 2016	1 January 2018
<b>IFRS Taxonomy</b>		
Using the IFRS Taxonomy:	August 2016	-

<i>Guide to Common Practice Content</i>		
<b>IFRS Taxonomy Update on Amendments to IFRS 4</b>	December 2016	-