

STAFF PAPER

December 2017

Emerging Economies Group

Project	Administrative Issues
Paper topic	Arrangements for future meetings & feedback
CONTACT(S)	Michelle Sansom msansom@ifrs.org + 44 20 7246 6963

This paper has been prepared for discussion at a public meeting of the Emerging Economies Group. 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*.

Administrative issues

1. The aim of this paper is to:
 - (a) discuss the agenda topics for the May 2018 Emerging Economies Group (EEG) meeting;
 - (b) identify locations for the forthcoming EEG meetings; and
 - (c) provide EEG members with a summary of issues from previous EEG meetings and set out how the staff or the International Accounting Standards Board (the Board) have considered (or will consider) the matters discussed.

Next meeting

2. The next meeting of the EEG will be held in Kuala Lumpur, Malaysia the week commencing 14 May 2018. Appendix A of this paper includes a proposed agenda for the meeting.
3. The agenda for the May 2018 meeting is based on previous discussions at EEG meetings. From these discussions we have also developed the following list of possible day-one topics for future meetings:
 - (a) Goodwill and Impairment;
 - (b) Primary Financial Statements;

- (c) Implementation issues (IFRS 9 *Financial Instruments*, IFRS 15 *Revenue from Contracts with Customers*, IFRS 16 *Leases*);
- (d) Financial Instruments with Characteristics of Equity;
- (e) Extractive Industries;
- (f) High Inflation; or
- (g) Functional Currency.

Location for future meetings

4. We believe it is practical to have locations identified for at least the next two EEG meetings. We would like to identify the location for the H2 2018 and H1 of 2019 EEG meetings.

Feedback

5. As an additional agenda paper we have set out a table summarising the topics discussed at previous EEG meetings and how the staff or the Board have used this feedback.

Terms of reference

6. Based on discussions at the last EEG meeting (13th EEG meeting, May 2017), we have consolidated the terms of reference for the EEG. These are included in Appendix B of this paper. Following this meeting we plan to publish the terms of reference on the IFRS Foundation's website.

Questions

Questions:

- Q1 Do members have any comments on the proposed agenda for the May 2018 EEG meeting?
- Q2 Do members have any comments on the list of topics to be considered for discussion at future EEG meetings?
- Q3 Do EEG members have any further comments on the consolidated terms of references for the EEG set out in Appendix B of this paper?
- Q4 Do members have any comments on the summary of topic discussed at previous EEG meetings?

Malaysia H1 2018 Proposed Agenda	Suggested time allocation
Day one topic: <i>IFRS 16 Leases</i>	Full-day discussion
Day two topics: <i>Accounting for micro-entities</i> <ul style="list-style-type: none"> • Actions from December 2017 meeting <i>Accounting for private-entities</i> <ul style="list-style-type: none"> • Presentation from Malaysia on its application of the <i>IFRS for SMEs</i>. 	1 hour 1 hour
<i>Accounting for subsidiary entities</i> <ul style="list-style-type: none"> • Actions from November 2016 meeting 	1.5 hours
<i>Digital Currencies</i> <ul style="list-style-type: none"> • EEG members to discuss current activities and accounting 	1 hour
<i>IASB Update</i> , including Interpretation activities	1 hour
<i>Agenda planning and matters arising</i>	0.5 hours
Day three: Initial feedback on the implementation of IFRS 9 <i>Financial Instruments</i> in Emerging Economies	Morning session for EEG members only
<i>Application of IFRS 17 Insurance Contracts</i>	Outreach event – public meeting

The Emerging Economies Group – Terms of Reference

Preamble

The Emerging Economies Group (EEG) was created in 2011 at the direction of the IFRS Foundation Trustees, with the aim of enhancing the participation of emerging economies in the development of IFRS Standards. The members of the EEG are nominated National Standard-Setters (NSS) from emerging economies. This document sets out the terms of reference for the EEG.

The objectives of the IFRS Foundation are:

- (a) the development, in the public interest, of a single set of high quality, understandable, enforceable and globally accepted financial reporting standards based upon clearly articulated principles. These standards should require high quality, transparent and comparable information in financial statements and other financial reporting to help investors, other participants in the world's capital markets and other users of financial information make economic decisions.
- (b) the promotion of the use and rigorous application of those standards.
- (c) in fulfilling the objectives associated with (a) and (b), taking account of, as appropriate, the needs of a range of sizes and types of entities in diverse economic settings.
- (d) the promotion and facilitation of the adoption of the IFRS Standards, being the Standards and IFRIC Interpretations issued by the International Accounting Standards Board (the Board), through the convergence of national accounting standards and IFRS Standards.

1. Objectives of the EEG

- 1.1. The objective of the EEG is to provide an advisory forum where members support the IFRS Foundation in its objectives, and contribute towards the development, in the public interest, of a single set of high quality, understandable, enforceable and globally accepted financial reporting standards to help investors and other market participants in making informed resource allocations and other economic decisions, by:
 - (a) providing a technical platform for emerging economies to communicate and exchange views with the Board on a regular basis.
 - (b) contributing to the standard setting agenda by providing;
 - I. input to the Board's agenda setting process, and
 - II. input to the Board's technical agenda.
 - (c) contributing to the rigorous application of standards by the;
 - I. identification of emerging issues;
 - II. sharing of experiences;
 - III. discussion of common problems, and where applicable, the solutions to those problems; and
 - IV. discussion of in-country implementation guidance.

2. Organisational structure and working mechanisms

Chair and Vice-chair

- 2.1. The Chair of the EEG will be a designated member of the Board with appropriate experience.
- 2.2. The Vice-chair of the EEG will be a representative of the Ministry of Finance of the People's Republic of China.

Membership

- 2.3. The EEG is comprised of 12 permanent members plus the Chair.
- 2.4. Permanent members are representatives designated by and from the NSS (one member for each NSS). Permanent members of the EEG comprises the Founding members of the group. Representatives so appointed act in the capacity as representatives of their NSS, and not in their personal capacity.
- 2.5. The Chair shall have the discretion to invite temporary members to participate in an EEG meeting for a specific issue or to provide a specific regional perspective.
- 2.6. Members of the Board may attend EEG meetings.
- 2.7. The Founding members of the group are:
 - Argentina
 - Brazil
 - China
 - India
 - Indonesia
 - Korea
 - Malaysia
 - Mexico
 - Russia
 - Saudi Arabia
 - South Africa
 - Turkey

Meetings

- 2.8. Generally, two meetings are held by the EEG every year, typically for at least two days.
- 2.9. The Chair and the Vice-chair shall have the discretion to draw up the EEG meeting agenda, following consultation with EEG members and the Board. EEG meetings will normally focus on a specific topic on day one of the meeting (the so called "one topic – one meeting" basis). On day two other topics, including administrative matters relating to the EEG, are open for discussion at the discretion of the Chair and Vice-chair when drawing up the meeting agenda.

- 2.10. Agenda papers for EEG meetings will be prepared by either EEG members or staff of the IFRS Foundation. The agenda papers will be circulated in advance in order to ensure that EEG members are fully prepared and capable of actively participating in all EEG discussions.
- 2.11. EEG members will take turns in hosting the meetings. The host member shall carry the organisational costs of the meeting. EEG members are responsible for their own travel and accommodation costs.
- 2.12. When the EEG is not in session, daily operation and updates of EEG are conducted through the EEG liaison office via emails and telephone conferences, etc.

Communication

- 2.13. The IFRS Foundation will maintain a separate section on its website for the EEG. In this section agenda papers and meeting updates will be posted. Staff will typically produce a 'Communique' and a detailed report on each meeting. EEG meetings will not be webcast or recorded.
- 2.14. An outline of feedback received at the previous meeting, and how the staff or the Board have used this feedback, will be provided to EEG members at each meeting.

3. EEG Liaison Office

- 3.1. The EEG liaison office is the standing office for daily operation. Led by the Chair and Vice-chair, the liaison office's main responsibilities include:
 - (a) providing assistance on preparing EEG plenary meetings and delivering meeting materials on timely basis;
 - (b) keeping communication between members and the Board, especially reporting to the Board regarding the meeting minutes and EEG's recommendations;
 - (c) expanding the communication between members and promoting the interactions and cooperation between emerging economies on accounting issues; and
 - (d) other matters of interest raised by the Chair and Vice-chair.
- 3.2. The EEG liaison office is set in China, and the full name will be "IASB Emerging Economies Group Liaison Office". The liaison office will support office operation and report to the Chair and Vice-chair. The Ministry of Finance of the People's Republic of China will bear the local costs associated with the liaison office.