

## STAFF PAPER

July 2017

## REG IASB Meeting

<b>Project</b>	<b>Prepayment Features with Negative Compensation</b>		
<b>Paper topic</b>	Cover Note		
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**Papers for this meeting**

1. This cover note accompanies the following papers related to the Exposure Draft *Prepayment Features with Negative Compensation* (Proposed amendments to IFRS 9) (the ED):
  - (a) Agenda paper 3A *Two eligibility conditions* discusses the key technical issues in relation to the two eligibility conditions proposed in the ED.
  - (b) Agenda paper 3B *Modification of financial liabilities* discusses the how to proceed with the submission received by the IFRS Interpretations Committee related to a modification or exchange of a financial liability measured at amortised cost that does not result in the derecognition of the financial liability.
  - (c) Agenda paper 3C *Summary of staff recommendations and questions for the Board* discusses the staff recommendation on the issues discussed in agenda papers 3A and 3B and asks the International Accounting Standard Board (the Board) for decisions.
  - (d) Agenda paper 3D *Effective date and transition provisions* discusses the effective date of the amendments and implications on transition provisions and asks the Board for decisions.

- (e) Agenda paper 3E *Due process steps* considers the due process steps undertaken and asks for permission to ballot.
2. The agenda papers have been ordered as above considering the interrelation between the issues discussed in the papers. Agenda paper 3C brings together the issues discussed in agenda papers 3A and 3B as a package and presents staff recommendations and questions for the Board on those issues. Agenda paper 3D discusses issues that the Board needs to make decisions on independently of the decisions requested in agenda paper 3C. This way, we think the Board would achieve a more structured and efficient discussion.

### **Next steps**

3. Subject to the outcomes of the Board's decisions at this meeting, the staff are targeting the issue of the amendments to IFRS 9 in October 2017.