

## STAFF PAPER

8 March 2017

## Prepared for the Global Preparers Forum Meeting

<b>Project</b>	<b>IASB<sup>®</sup> and Interpretations Committee Update</b>		
<b>Paper topic</b>	<b>Technical activities: Update</b>		
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This paper has been prepared for discussion at a public meeting of the Global Preparers Forum. 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<sup>®</sup> Standards do not purport to set out acceptable or unacceptable application of IFRS Standards. Technical decisions are made in public and reported in IASB<sup>®</sup> *Update*.

## Purpose

1. This paper provides the Global Preparers Forum (GPF) with an update on the activities of the International Accounting Standards Board<sup>®</sup> ('the Board') December 2016 to January 2017. This agenda paper is prepared by the staff of the Board and is for information only. The update on the technical activities in February 2017 will be provided orally.
2. This paper should be read with the following papers:
  - (a) Agenda Paper 1A *Following up on issues discussed at November 2016 GPF meeting* discusses how the Board or the staff considered feedback received from the GPF.
  - (b) Agenda Paper 1B *Update on the discount rate project*.

## Structure of this paper

3. This paper is structured as follows:
  - (a) The due process documents issued and published in the period December 2016 to January 2017 in paragraph 4 and 5.
  - (b) The key issues related to non-technical activities are summarised in paragraphs 6 and 7.

- (c) A summary of the technical projects is set out in Appendices, as follows:
- (i) Appendix A—Standard-setting and related projects;
  - (ii) Appendix B—Implementation activities;
  - (iii) Appendix C—Research projects;
  - (iv) Appendix D—Taxonomy activities; and
  - (v) Appendix E—Work plan as at 19 January 2017.

### Due process documents

4. In the period December 2016 to January 2017 the Board issued:
- (a) Annual Improvements to IFRS<sup>®</sup> Standards 2014–2016 Cycle;
  - (b) IFRIC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*; and
  - (c) Amendments to IAS 40 *Transfers of Investment Property*.
5. In the period December 2016 to January 2017 the Board published:
- (a) Exposure Draft: *Annual Improvements to IFRS Standards 2015-2017 Cycle*.
  - (b) IFRS Taxonomy<sup>™</sup> Update for *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*;
  - (c) a proposed update to the IFRS Taxonomy 2016—*Common Practice*.

### Key non-technical activities

6. Appointments between November 2016 and February 2017:
- (a) the Trustees of the IFRS Foundation appointed :
    - (i) Françoise Flores to join as a Board member on January 2017.
    - (ii) Canadian academic Tom Scott as a member of the Board from April 2017.

- (iii) Martin Edelmann, Gary Kabureck, Chungwoo Suh and Mary Tokar to serve a second term, starting on 1 July 2017.
  - (iv) Sue Lloyd, Vice-Chair of the Board, as the new Chair of the IFRS Interpretations Committee starting from February 2017.
- (b) the IFRS Foundation Monitoring Board, responsible for oversight of the IFRS Foundation, appointed Mr. Jean-Paul Servais, Vice-Chair of the IOSCO Board and Chairman of the Financial Services and Markets Authority of Belgium, has been appointed as the new Chair of the Monitoring Board. Mr. Servais will succeed Mr. Ryozo Himino, Vice Minister for International Affairs of the Japan Financial Services
- (c) Ise Bos, Su-Keun Kwak and Guangyao Zhu were appointed as Trustees of the IFRS Foundation.
7. At the end of November 2016, the Trustees of the IFRS Foundation, responsible for the oversight and governance of the International Accounting Standards Board (the Board), amended the IFRS Foundation's *Constitution*. The changes include reducing the size of the Board and amending the geographical distribution of Trustees.

## Appendix A — Standard-setting and related projects

### Insurance Contracts

Last due process document	Revised Exposure Draft (ED) published in June 2013 with a comment period of 120 days.
Current status	The Board has completed its planned deliberations and has begun the balloting process for IFRS 17 <i>Insurance Contracts</i> .
Timing	Issue a Standard in May 2017.

- A1. The Board is developing a new IFRS Standard for insurance contracts, IFRS 17 *Insurance Contracts*. The Standard sets out the principles that an entity needs to apply in order to report information about insurance contracts that it issues and reinsurance contracts that it acquires.
- A2. IFRS 17 is being developed because IFRS Standards do not address how to measure insurance contracts. It will replace the existing Standard, IFRS 4 *Insurance Contracts*, which allows entities to use a wide range of accounting practices for reporting on a key aspect of their business activity. The different accounting treatment across jurisdictions and products makes it difficult for investors and analysts to understand and compare insurers' results. Some of those previous insurance accounting practices did not adequately reflect the true underlying financial position and performance of these insurance contracts.
- A3. Like IFRS 4, IFRS 17 will apply to all insurance contracts issued, regardless of the entity that issues it. It is primarily expected to affect entities in the insurance industry.
- A4. To decrease the cost of preparing financial statements for entities that issue fixed fee contracts, IFRS 17 includes an option that permits an entity to apply IFRS 15 *Revenue from Contracts with Customers* to some fixed fee service contracts (even though fixed fee service contracts meet the definition of an insurance contract). This

means that an entity that issues only such fixed fee service contracts, but is not an insurer could elect not to apply IFRS 17 to these contracts.

- A5. The Board expects to issue IFRS 17 in May 2017. The Board expects to accompany the issuance of IFRS 17 with a comprehensive Effects Analysis and publication of its plans to support implementation of IFRS 17. Those plans include establishing a Transition Resource Group after the Standard has been issued. The group’s mandate, composition and objectives will be decided at a later date.

### The Conceptual Framework

Last due process document	ED published in May 2015 (comment deadline 25 November 2015).
Current status	The Board is redeliberating the proposals in the ED.
Timing	The Board plans to issue a revised <i>Conceptual Framework</i> in H2 of 2017.

- A6. The *Conceptual Framework* sets out the concepts that underlie the preparation and presentation of financial statements. It is not a Standard and does not override any specific IFRS Standards (‘Standards’). However, it identifies principles for the Board to use when it develops and revises its Standards. It is also used by preparers to develop and select accounting policies, and by all parties to understand and interpret the Standards.
- A7. The Board published a Discussion Paper (DP) in July 2013 and an ED in May 2015. During the comment period on the ED the Board conducted outreach meetings to raise awareness of, and obtain feedback on, the proposals. Meetings were held in Australia, Canada, China, Europe (including several joint meetings with EFRAG), Japan, Latin America, New Zealand and the US. Meetings have been held with a range of stakeholders including standard-setters, regulators, users of financial statements, preparers, academics and auditors.

- A8. The Board received over 220 comment letters on the ED. All comment letters and summaries of all the feedback received are available on the Board’s website, including a separate summary of all feedback from users of financial statements. During 2015, the Board also sought advice from its advisory groups, including GPF. The Board discussed the feedback and advice received at its meeting in March 2016.
- A9. When no IFRS Standard specifically applies to a transaction or event, entities sometimes need to consider the *Conceptual Framework* in developing an accounting policy for that transaction or event. Thus, updating references to the *Conceptual Framework* in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* might affect those accounting policies. At its November 2016 meeting the Board considered whether the effect on those accounting policies might be significant. Agenda Paper 10G from the November 2016 Board meeting discusses input received in 24 responses from preparers (including GPF members).
- A10. In the period December 2016 to January 2017 the Board continued its redeliberations of the ED. Significant topics redeliberated include:
- (a) Business activities and long-term investment, for which the Board tentatively confirmed the proposals in the ED.
  - (b) A revised chapter on measurement.
  - (c) An analysis of the effects of the proposed changes to the Conceptual Framework.

**Disclosure Initiative: Materiality Practice Statement**

Last due process document	ED of the Practice Statement published in October 2015 with a comment period of 120 days.
Current status	The Board has completed its redeliberations of the proposals in the

	ED.
Timing	It is expected that the Practice Statement will be issued in H1 of 2017.

- A11. The Materiality Practice Statement is part of the Disclosure Initiative; more information about the Disclosure Initiative is set out in paragraphs C1 to C6 of this Agenda Paper.
- A12. In developing the ED of the Practice Statement, the Board conducted outreach with national and regional standard-setters regarding local guidance and practice on the application of materiality. The ASAF, the Global Preparers Forum (GPF), the WSS, the Advisory Council, International Organization of Securities Commissions (IOSCO) and the International Auditing and Assurance Standards Board (IAASB) have all been consulted.
- A13. The Board received 97 comment letters in response to the ED. At its meeting in April 2016 the Board discussed the comments received on the ED.
- A14. In the period of December 2016 to January 2017 the Board concluded its redeliberations of the ED, following the Board’s decision at the November 2016 meeting that the guidance on applying materiality should be published in the form of an IFRS Practice Statement.
- A15. At its December 2016 meeting the Board discussed the due process steps followed in the project. The Board agreed that all the due process steps required on the Materiality Practice Statement project have been satisfied and instructed the staff to begin the balloting process.

**Disclosure Initiative: Definition of Materiality**

- A16. The Board has decided to publish an ED of proposed clarifications to the definition of materiality rather than include those clarifications in the *Principles of Disclosure*

discussion paper, allowing the Board to accelerate these clarifications. The Board expects to publish the ED in H1 of 2017.

### Rate-regulated Activities

Last due process document	Discussion Paper (DP) published in September 2014 with a comment period of 120 days. The Board received 118 comment letters in response to the DP.
Current status	The Board is developing a model that improves reporting of the financial effects of rate regulation.
Timing	Not yet determined.

- A17. The Board published a DP in September 2014 that considered common features of rate regulation and explored which of them, if any, create a combination of rights and obligations distinguishable from the rights and obligations arising from activities that are not rate-regulated. The DP explored several possible approaches.
- A18. The Board decided in May 2015 that it should undertake standard-setting activity to address the issues identified, but that the form of that standard-setting activity would only become apparent as the project progresses. The Board also decided that developing a second DP would be the fastest way to progress the project.
- A19. The advice of GPF and ASAF was sought in March 2015 and in April 2016, respectively.
- A20. At its April 2016 meeting the Board asked the staff to develop an accounting model to reflect the effects of rate regulation. At its December 2016 meeting the Board discussed preliminary proposals but made no decisions. The preliminary proposals will be developed in more detail and discussed by the Board at future meetings from February 2017.



## Appendix B — Implementation Activities

### Post-implementation Review (PIR) of IFRS 13 *Fair Value Measurement*

- B1 The staff has undertaken outreach for Phase 1 of the PIR. This has involved more than 20 meetings or calls with a broad range of stakeholders to learn about experience with applying and using IFRS 13. The Board also sought advice from GPF members at the GPF's November 2016 meeting. Overall, stakeholders have told us that the Standard is working well. The Board discussed the results of this outreach in January 2017 and discussed the next steps in the PIR.
- B2 The staff has also undertaken a scoping review of academic research relevant to the PIR. This scoping review identified no material issues with IFRS 13.

### IFRS Interpretation Committee activities

- B3 The Board has continued to support the implementation of its recently issued Standards. Activities in the period of September 2016 to January 2017 include:
- (a) A Joint IFRS Foundation and ICAEW Conference: IFRS 16 *Leases*—implementing the new Standard (October 2016)
  - (b) A joint webcast by the Board and the Financial Accounting Standards Board (FASB) that discusses implementation of the requirements in IFRS 15 *Revenue from Contracts with Customers* (September 2016).
  - (c) IFRS Conferences (including the WSS Conference) including education sessions on IFRS 9 *Financial Instruments*, IFRS 15, IFRS 16, and the forthcoming IFRS 17.
  - (d) Education sessions on IFRS 9 and IFRS 15 for European regulators.
- B4 The Interpretations Committee did not meet in the period of December 2016 to January 2017. However, at their two previous meetings in September 2016 and November 2016 activities include:

- (a) IFRIC Interpretations:
- (i) Issuance of IFRIC 22 *Foreign Currency Transactions and Advance Consideration*.
  - (ii) Finalisation of the redeliberations of IFRIC Interpretation: *Uncertainty over Income Tax Treatment*. The Interpretations Committee tentatively decided that the effective date of the Interpretation will be 1 January 2019, with earlier application permitted (see table 1).
  - (iii) Subject to discussion with the Board, development of a draft Interpretation on IFRS 9 *Financial Instruments*—Modification or exchange of financial liabilities that do not result in derecognition.
- (b) Finalisation of agenda decisions:
- (i) IAS 12 *Income Taxes*—Expected manner of recovery of intangible assets with indefinite useful lives.
  - (ii) IAS 32 *Financial Instruments: Presentation*—Written put options over non-controlling interests to be settled by a variable number of the parent’s shares.
  - (iii) IFRIC 12 *Service Concession Arrangements*—Service concession arrangements with leased infrastructure.
- (c) Proposed tentative agenda decisions:
- (i) IAS 12 *Income Taxes*—Recognition of deferred taxes when acquiring a single-asset entity that is not a business.
  - (ii) IFRS 10 *Consolidated Financial Statements*—Investment entities and subsidiaries.
  - (iii) Commodity loans.
  - (iv) IAS 28 *Investments in Associates and Joint Ventures*—Fund manager’s assessment of significant influence.

## Appendix B — Implementation activities

B5 Progress on narrow-scope amendments and IFRIC Interpretations is set out in table 1 below:

<b>Table 1: Progress on narrow-scope amendments and IFRIC Interpretations</b>			
<b>Project</b>	<b>Objective</b>	<b>Status</b>	<b>The Board's/Interpretations Committee's next steps</b>
<b>Accounting Policies and Accounting Estimates</b> (Proposed amendments to IAS 8)	To clarify the existing distinction between a change in an accounting policy and a change in an accounting estimate.	At its January 2017 meeting the Board tentatively decided that the ED will now define 'accounting estimates' rather than 'a change in accounting estimate'.	Publish an ED within 6 months.
<b>Classification of Liabilities</b> (Amendments to IAS 1)	To clarify when rights to defer settlement affect the classification of liabilities.	At its February 2016 meeting the Board started discussions of some of the main comments received on the ED.	This project was held back until after the Board had redeliberated the definitions of assets and liabilities in the <i>Conceptual Framework</i> ED. The Board plans to recommence discussions in the first half of 2017.

## Appendix B — Implementation activities

Table 1: Progress on narrow-scope amendments and IFRIC Interpretations			
Project	Objective	Status	The Board's/Interpretations Committee's next steps
<b>Definition of a Business / Previously Held Interests in a Joint Operation</b> (Proposed amendments to IFRS 3 and IFRS 11)	(a) To resolve the difficulties that arise when an entity is determining whether it has acquired a business or a group of assets. (b) 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.	Comment period closed on 31 October 2016. The project was discussed at the September 2016 ASAF meeting and the November 2016 GPF meeting.	Decide project direction within 3 months.

## Appendix B — Implementation activities

Table 1: Progress on narrow-scope amendments and IFRIC Interpretations			
Project	Objective	Status	The Board's/Interpretations Committee's next steps
<b>Improvements to IFRS 8 Operating Segments</b> (Proposed amendments to IFRS 8 and IAS 34)	To clarify IFRS 8 <i>Operating Segments</i> with respect to issues identified by the post-implementation review.	At its October 2016 meeting the Board discussed two sweep issues that had arisen in the balloting process for the ED.	ED expected in April 2017.
<b>Plan Amendment, Curtailment or Settlement / Availability of a Refund</b> (Amendments to IAS 19 and IFRIC 14)	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>	At its December 2016 meeting the Board tentatively decided to finalise the amendments to IFRIC 14, as recommended by the Interpretations Committee.  The Board and Interpretations Committee will discuss the amendments to IAS 19 at future meetings.	Issue IFRS amendments after 6 months.

## Appendix B — Implementation activities

Table 1: Progress on narrow-scope amendments and IFRIC Interpretations			
Project	Objective	Status	The Board's/Interpretations Committee's next steps
<b>Property, Plant and Equipment: Proceeds before Intended Use</b> (Proposed amendments to IAS 16)	To address identified diversity relating to proceeds from selling items produced while an item of property, plant and equipment is being developed for use.	At its October 2016 meeting the Board tentatively decided to proceed with the recommendation from the Interpretations Committee for a narrow scope amendment to IAS 16.	Publish an ED within 6 months.
<b>Symmetric Prepayment Options</b>	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.	After discussion in December 2016, at its January 2017 meeting the Board tentatively decided to propose a narrow-scope amendment to IFRS 9 on Symmetric Prepayment Options.	The staff recommended in agenda papers for the February 2017 Board meeting to publish an ED within three months, with a comment period of 30 days.  This topic will be discussed at the March 2017 GPF meeting.

## Appendix B — Implementation activities

<b>Table 1: Progress on narrow-scope amendments and IFRIC Interpretations</b>			
<b>Project</b>	<b>Objective</b>	<b>Status</b>	<b>The Board's/Interpretations Committee's next steps</b>
<b>Uncertainty over Income Tax Treatments</b> (IFRIC Interpretation)	To provide requirements on the recognition and measurement of current and deferred tax liabilities as when there is uncertainty over income tax treatments.	At its September and November 2016 meetings the Interpretation Committee decided to finalise the Interpretation.	Subject to ratification by the Board, issue an IFRIC Interpretation within 6 months.
<b>Annual Improvements 2015-2017</b>	The Board has adopted the Annual Improvements process to deal efficiently with a collection of unrelated minor amendments to IFRS Standards.	ED was published in January 2017, with a 90 day comment period.	The Board will consider the comments received on the ED at a future meeting.  Two topics from the ED will be discussed at the March 2017 GPF meeting.

## Appendix C — Research projects

### Disclosure Initiative

- C1 The Disclosure Initiative is a portfolio of projects that aim to improve the effectiveness of disclosures in financial reporting. The work is informed by a discussion forum, which was held in January 2013, and by a related survey on financial reporting disclosure. A Feedback Statement on these events was published in May 2013.
- C2 The Disclosure Initiative includes the following projects:
- (a) Narrow-scope amendments have been made to IAS 1 *Presentation of Financial Statements* and IAS 7 *Statement of Cash Flows*;
  - (b) A narrow-scope amendment will be proposed to the definition of materiality in IAS 1 (see paragraph A16) and in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
  - (c) Principles of Disclosure (see paragraphs C4 to C6); and
  - (d) Practice Statement on the application of materiality (see paragraphs A11 to A15).
- C3 At its December 2016 meeting<sup>1</sup> the Board decided not to proceed with the work on the cash restrictions proposals included in its ED *Disclosure Initiative, Proposed Amendments to IAS 7*, which was published in September 2014.

### Principles of Disclosure

- C4 The objective of this project is to improve disclosures in financial statements by identifying and developing a set of principles for disclosure in Standards. The project's aim is to set the basis for replacing the disclosure requirements in IAS 1 and IAS 8. The project may also affect the review of disclosure requirements and guidance in other Standards.

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<sup>1</sup> Agenda Paper 11D *Disclosures about restrictions on cash and cash equivalents* included feedback received from the GPF members provided via separate outreach.



- C5 The Board discussed the project regularly during 2014 and 2015 with ASAF, GPF and CMAC. The staff also conducted a variety of meetings and conference calls with constituents on specific topics in preparing papers for the Board meetings; including IOSCO; the European Securities and Markets Authority (ESMA); and investors and users of financial statements.
- C6 We originally had an ambitious target for publishing a DP at the end of the first quarter of 2016. Due to significant staff changes and the need to manage the balloting schedule alongside IFRS 17, the drafting and balloting of the DP is taking longer than originally anticipated. It is expected that the DP will be published in April 2017.

### **Primary financial statements**

- C7 In July 2014 the Board added the Primary Financial Statements project to its research agenda. The aim of this project is to examine the purpose, structure and content of the primary financial statements; including the relationship between the individual statements.
- C8 Advice on the scope of this project was sought from the ASAF, the GPF and the CMAC during 2016. At its December 2016 meeting the Board tentatively decided on the scope of the project. The Board will commence its technical discussions in the first half of 2017.

### **Business combinations under common control**

- C9 Business combinations under common control, including those undertaken when preparing for initial public offerings, are excluded from the scope of IFRS 3 *Business Combinations*, because the combining entities are controlled by the same party. Some constituents have raised concerns about diversity in practice in accounting for such transactions.
- C10 Advice on this project was sought from the GPF and the ASAF at their 2015 and 2016 meetings. In April 2016 the Board discussed the research and outreach findings, together with feedback on the 2015 Agenda Consultation.

C11 This topic will be discussed at the March 2017 GPF meeting.

C12 Work is expected to recommence in the second quarter of 2017, as staff become available.

### Dynamic Risk Management

Last due process document	DP published in April 2014 with a comment period of 180 days.
Current status	The Board is redeliberating proposals.
Timing	Not yet determined.

C13 The objective of this project is to develop an approach to better reflect entities' dynamic risk management activities in their financial statements, and to enhance the usefulness of the financial information to help users of financial statements to better understand such activities.

C14 The Board published a Discussion Paper in April 2014. Although the Board received support from constituents for addressing the issue of accounting for dynamic risk management, there was significant divergence in views between users and preparers in general on the merits of the new approach. There is also a difference in views on what should be the overall objective of the project.

C15 At its meeting in May 2015 the Board decided to start work on the next stage of this project by seeking to understand the information needs of constituents concerning the dynamic risk management activities as a basis for determining the recognition, measurement and disclosures approach. In July 2015 the ASAF's advice was sought on information needs relating to an entity's dynamic risk management of interest rates and on possible sources of information that could be consulted for ascertaining such information needs.

C16 The staff are continuing to consider alternative approaches for recognition and measurement along with the information needs arising from an entity's dynamic risk management activities. The staff are currently participating as observers in

meetings conducted by the European Financial Reporting Advisory Group (EFRAG) with key banks in its jurisdiction to better understand the key drivers and parameters used in core demand deposit modelling.

C17 The Board has decided that the project should remain in the Research programme with the aim of publishing a second DP.

C18 Re-deliberations with the Board are expected to start in early 2017.

### **Financial instruments with characteristics of equity**

C19 The classification of financial instruments as liabilities or equity in accordance with IAS 32 *Financial Instruments: Presentation* presents many challenges. The project is exploring whether the existing classification requirements in IAS 32 can be improved. In addition, the project is looking at what improvements could be made to the presentation and disclosure requirements for financial instruments with characteristics of equity.

C20 The Board continued its discussions of the project during 2016 and 2017, including consultation with GPF and CMAC. The Board expects to publish a DP in the second half of 2017.

### **Goodwill and impairment**

C21 This research project is considering three issues identified in the post-implementation review of IFRS 3:

- (a) whether changes should be made to the existing impairment test for goodwill and other non-current, non-financial assets;
- (b) the extent to which other intangible assets should be separated from goodwill; and
- (c) whether goodwill should be amortised.

C22 In March 2016, the Board sought input from the GPF on possible improvements to disclosure requirements in IAS 36 *Impairment of Assets*.

- C23 At its meeting in May 2016 the Board discussed quantitative information about the amounts and trends of reported goodwill, impairment and intangible assets over recent years, gathered in conjunction with staff at the Accounting Standards Board of Japan (ASBJ), EFRAG and the US Financial Accounting Standards Board (FASB).
- C24 In June 2016 the Board held a joint education session with the FASB. The aim of the session was for the two boards to update each other on their respective projects since the last joint meeting in September 2015. No decisions were made at the meeting.
- C25 Work on this project has been temporarily delayed as the project staff were reallocated to higher priority projects. New resources have now been allocated to the project and work will recommence in Q1 of 2017.
- C26 This project will be discussed at the March 2017 GPF meeting.

### **Discount rates**

- C27 IFRS Standards written over the years have required different discount rates to be used in different IFRS measurements. The Board instructed staff to conduct a research project with the objective of examining discount rate requirements in IFRS Standards to identify why those differences exist and assess whether there are any unjustified inconsistencies that the Board should consider addressing.
- C28 The staff plan to bring back a summary of research to the Board meeting in the next month or two to discuss the following questions:
- (a) has the research objective been met?
  - (b) how can the Board and the staff make the best use of the research outputs?
  - (c) is any external consultation needed?
- C29 The staff are considering how best to make the work performed visible and retrievable.

- C30 The staff plan to hold in the next few months a public education session for the Board on low and negative discount rates. Although this topic was beyond the scope of the research project, it has triggered public debate in the last few months.
- C31 The Board has no plan to carry out a comprehensive standard-setting project on discount rates.
- C32 Agenda Paper 1B *Update on the discount rate project* provides a more detailed update on the project and its findings.

### **Share-based payment**

- C33 Many respondents to the 2011–2012 Agenda Consultation commented on the complexity of IFRS 2 *Share-based Payment*. The Board undertook a research project to identify the main areas of complexity and their causes.
- C34 Following the GPF discussion in March 2016, in May 2016 the Board discussed the findings from the research project and decided:
- (a) not to perform any further research on this topic;
  - (b) that there is no need to seek feedback from stakeholders on that decision or on the staff's findings; and
  - (c) that there is no need to publish a formal Research Paper or Discussion Paper summarising the research performed in this project. The staff will consider how best to make the work performed visible and retrievable.

## **Appendix D — Taxonomy activities**

### **IFRS Taxonomy™ Update on Insurance Contracts**

- D1. A proposed Taxonomy Update based on the presentation and disclosure requirements of the new Insurance Contracts Standard is being developed. It will be approved by the Board and published at the same time as (or shortly after) that Standard.

### **Common Practice (agriculture, leisure, franchises, retail and financial institutions)**

- D2. In December 2016, a proposed Common Practice Taxonomy Update was published. The Update describes proposed additions to the IFRS Taxonomy for disclosures that are common practice in agriculture, leisure, franchises, retail and financial institutions. The proposed taxonomy update was reviewed by the IFRS Taxonomy Consultative Group.
- D3. The comment period for the Proposed Taxonomy Update ended on 15 February 2017.

### **Update on IFRS Taxonomy Consultative Group (ITCG)**

- D4. The current two-year term of eleven members of the ITCG expires on 1 April 2017. The Board will offer re-appointment to all eleven members with some members being offered a two year term and others being offered a three year term. This staggering ensures that not all expiry dates fall in 2020.
- D5. IFRS Taxonomy will be discussed at the March 2017 GPF meeting.

## Appendix E — Work plan as at 19 January 2017

### Active projects

To learn more about any project listed below, click on the project name.

	Current activity	Next major milestone		
		Within 3 months	Within 6 months	After 6 months
<b>Research projects</b>				
Disclosure Initiative: Principles of Disclosure	Drafting	Publish DP (Expected April)		
Primary Financial Statements	Analysis			Publish DP or ED
Business Combinations under Common Control	Analysis			Publish DP
Dynamic Risk Management	Analysis			Publish DP
Financial Instruments with Characteristics of Equity	Analysis			Publish DP
Goodwill and Impairment	Analysis			Decide Project Direction
Discount Rates	Analysis		Publish Research Summary	
Share-based Payment	Drafting	Publish Research Summary		
<b>Standard-setting and related projects</b>				
Conceptual Framework	Analysis			Publish Conceptual Framework
Disclosure Initiative: Materiality Practice Statement	Drafting		Publish Practice Statement	
Disclosure Initiative: Definition of Materiality (Proposed amendments to IAS 1 and IAS 8)	Drafting		Publish ED	
Insurance Contracts	Drafting		Issue IFRS Standard (Expected May)	
Rate-regulated Activities	Analysis			Publish DP

To allow Board members to focus on their review of the forthcoming IFRS Standard on insurance contracts, publication dates of documents may change to reflect the Board's priorities.

### ***The Board's plan for Better Communication***

A major theme of the Board's work is its plan for better communication in financial reporting. That plan includes a Disclosure Initiative, a project on Primary Financial Statements and other projects, including work on the IFRS Taxonomy. To learn more about the Board's plan for better communication in financial reporting [click here](#).

### ***IFRS for SMEs Standard***

The Board plans to start its next comprehensive review of the IFRS for SMEs Standard in 2019.

### ***Research activities***

Before the Board starts a project to make a major amendment to IFRS Standards, it carries out a research project to gather evidence about whether that amendment is needed. To learn more about the Board's evidence-based approach to standard setting [click here](#).

The Board has gathered sufficient evidence to establish that no further action is needed for some research projects. [Click here](#) to read about those projects.

### ***The research pipeline***

The Board intends to commence research on further topics before 2021. [Click here](#) to read about the research pipeline.



## Maintenance of IFRS Standards

	Current activity	Next major milestone		
		Within 3 months	Within 6 months	After 6 months
Narrow-scope amendments and IFRIC Interpretations				
Accounting Policies and Accounting Estimates (Proposed amendments to IAS 8)	Drafting		Publish ED	
Classification of Liabilities (Amendments to IAS 1)	Analysis			Issue IFRS Amendment
Definition of a Business / Previously Held Interests in a Joint Operation (Proposed amendments to IFRS 3 and IFRS 11)	Public Consultation Analysis	Decide Project Direction		
Improvements to IFRS 8 Operating Segments (Proposed amendments to IFRS 8 and IAS 34)	Drafting	Publish ED (Expected April)		
Plan Amendment, Curtailment or Settlement / Availability of a Refund (Amendments to IAS 19 and IFRIC 14)	Analysis			Issue IFRS Amendment
Property, Plant and Equipment: Proceeds before Intended Use (Proposed amendments to IAS 16)	Drafting		Publish ED	
Symmetric Prepayment Options (Proposed amendments to IFRS 9)	Drafting	Publish ED (Expected April)		
Uncertainty over Income Tax Treatments (IFRIC Interpretation)	Drafting		Issue IFRIC Interpretation	
Annual Improvements 2015-2017 (Comment period ends 12 April 2017)	Drafting Public Consultation	Publish	Decide Project Direction	

	Current activity	Next major milestone		
		Within 3 months	Within 6 months	After 6 months
<b>IFRS Taxonomy</b>				
IFRS Taxonomy Update on Insurance Contracts	Analysis	(Expected March)	Publish Proposed Update (Expected May)	
Common Practice (agriculture, leisure, franchises, retail and financial institutions) <sup>1</sup> (Comment period ends 15 February 2017)	Public Consultation	Publish Update (Expected March)		

<sup>1</sup> The final version of this Update will be included in the annual IFRS Taxonomy 2017.

Post-implementation reviews				
PIR of IFRS 13 <i>Fair Value Measurement</i>	Analysis	Decide Project Direction	Publish Request for Information	
PIR of IFRS Standards 10-12 relating to consolidated financial statements, and joint arrangements				Initiate PIR

The Board conducts post-implementation reviews (PIRs) of significant new IFRS Standards. In addition, the Board may decide to conduct a PIR of other Standards. [Click here](#) to learn more about PIRs.

The Board also plans to conduct a PIR of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* in due course.

## Standards

This list provides an overview of recently issued IFRS Standards and corresponding effective dates

Standard-setting and related projects	Issued date	Effective date	Additional information
IFRS 9 <i>Financial Instruments</i>	July 2014	1 January 2018	
IFRS 14 <i>Regulatory Deferral Accounts</i>	January 2014	1 January 2016	
IFRS 15 <i>Revenue from Contracts with Customers</i>	May 2014	1 January 2018	In September 2015 the IASB deferred the effective date of IFRS 15 by one year to 1 January 2018.
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	
2015 Amendments to the IFRS for SMEs	May 2015	1 January 2017	

Narrow-scope amendments	Issued date	Effective date	Additional information
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	May 2014	1 January 2016	
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	May 2014	1 January 2016	
Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)	June 2014	1 January 2016	
Equity Method in Separate Financial Statements (Amendments to IAS 27)	August 2014	1 January 2016	
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	September 2014	— *	* In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research pipeline project on the <a href="#">equity method of accounting</a> .

Narrow-scope amendments	Issued date	Effective date	Additional information
<p>Annual Improvements 2012-2014</p> <p>IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>:                      Changes in methods of disposal</p> <p>IFRS 7 <i>Financial Instruments: Disclosures</i>:                      Servicing contracts and                      Applicability of the amendments to IFRS 7 to condensed interim financial statements</p> <p>IAS 19 <i>Employee Benefits</i> :                      Discount rate: regional market issue</p> <p>IAS 34 <i>Interim Financial Reporting</i>:                      Disclosure of information 'elsewhere in the interim financial report'</p>	September 2014	1 January 2016	
<i>Investment Entities: Applying the Consolidated Exception</i> (Amendments to IFRS 10, IFRS 12 and IAS 28)	December 2014	1 January 2016	
<i>Disclosure Initiative</i> (Amendments to IAS 1)	December 2014	1 January 2016	
<i>Recognition of Deferred Tax Assets for Unrealised Losses</i> (Amendments to IAS 12)	January 2016	1 January 2017	
<i>Disclosure Initiative</i> (Amendments to IAS 7)	January 2016	1 January 2017	
<p>Annual Improvements 2014-2016</p> <p>IFRS 12 <i>Disclosure of Interests in Other Entities</i>:                      Clarification of the scope of the Standard</p> <p>IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i>:                      Deletion of short-term exemptions for first-time adopters</p> <p>IAS 28 <i>Investments in Associates and Joint Ventures</i>:                      Measuring an associate or joint venture at fair value</p>	December 2016	1 January 2017  1 January 2018  1 January 2018	
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)	June 2016	1 January 2018	
Applying IFRS 9 <i>Financial Instruments</i> with IFRS 4 <i>Insurance Contracts</i> (Amendments to IFRS 4)	September 2016	1 January 2018	
Foreign Currency Transactions and Advance Consideration (IFRIC Interpretation)	December 2016	1 January 2018	
Transfers of Investment Property (Amendments to IAS 40)	December 2016	1 January 2018	

IFRS Taxonomy	
Using the IFRS Taxonomy: <i>Guide to Common Practice Content</i>	Guide published August 2016— <a href="#">click here</a> .
IFRS Taxonomy Update on Amendments to IFRS 4	Update published December 2016 - <a href="#">click here</a> .

Post-implementation Reviews	
<i>IFRS 3 Business Combinations</i>	Feedback statement published June 2015— <a href="#">click here</a> .
<i>IFRS 8 Operating Segments</i>	Feedback statement published July 2013— <a href="#">click here</a> .

## Agenda Consultation

Agenda Consultation	
<i>IASB® Work Plan 2017-2021</i>  <i>Feedback Statement on the 2015 Agenda Consultation</i>	Feedback statement published November 2016— <a href="#">click here</a> .