

AGENDA PAPER

IFRS Foundation Trustees meeting – Due Process Oversight Committee

TOKYO	23 – 25 MAY 2017	Agenda ref	1D
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Conceptual Framework project: due process ‘lifecycle’ review

Purpose of this paper

1. This paper:
 - (a) summarises the due process steps completed in the Conceptual Framework project; and
 - (b) seeks the confirmation of the Due Process Oversight Committee (DPOC) that all necessary due process steps have been followed and that its review of due process on this project is now complete.
2. The *IASB and IFRS Interpretations Committee Due Process Handbook (Due Process Handbook)* sets out in paragraph 2.12 the DPOC’s role in reviewing and evaluating the evidence provided by the Board of its compliance with the established due process and stipulates that “Before any new or amended Standard is finalised the DPOC will confirm that it has completed its review of the due process. In reaching its decisions, the DPOC operates on a simple majority basis.”¹
3. This project will result in:
 - (a) a revised *Conceptual Framework for Financial Reporting* (the *Conceptual Framework*) that will replace the existing *Conceptual Framework*; and

¹ *Due Process Handbook* – June 2016 paragraph 2.12.

- (b) the replacement of references to the *Framework for the Preparation and Presentation of Financial Statements* (the *Framework*) contained in existing IFRS Standards and Interpretations with references to the *Conceptual Framework*. These amendments will be achieved by issuing *References to the Conceptual Framework*.

Questions for the DPOC

Are you content that:

- (a) all necessary due process steps have been followed for developing the *Conceptual Framework*,
- (b) all necessary due process steps have been followed for developing *References to the Conceptual Framework*; and
- (c) and that your review of due process on the Conceptual Framework project is now complete?

Structure of the paper

4. The paper is structured as follows:
 - (a) background (paragraphs 6–8);
 - (b) latest developments (paragraphs 9–10);
 - (c) history and approach to the project (paragraphs 11–15);
 - (d) controversial topics (paragraphs 16–23);
 - (e) feedback on deliberations (paragraphs 24–27);
 - (f) effects analysis (paragraphs 28–32);
 - (g) comment period (paragraph 33); and
 - (h) re-exposure (paragraphs 34–35).
5. This paper is accompanied by the following material for information:

- (a) Appendix A that summarises the discussions with the Trustees and the DPOC on the Conceptual Framework project since September 2012 when work on the project started;
- (b) Appendix B that summarises the discussions with the Accounting Standards Advisory Forum (ASAF²) on the Conceptual Framework project since September 2012 when work on the project started;
- (c) Agenda Paper 1D(i) that represents a copy of Agenda Paper 10F *Due process summary for the* Conceptual Framework for Financial Reporting for the February 2017 IASB meeting; and
- (d) Agenda Paper 1D(ii) that represents a copy of Agenda Paper 10C *Due process summary for* References to the Conceptual Framework for the March 2017 IASB meeting.

Background

- 6. The *Due Process Handbook* sets out the due process steps for an IFRS Standard or an IFRS Interpretation (paragraphs 3.43–3.44 of the *Due Process Handbook*). Further, it identifies the *Conceptual Framework* as one of the standing activities of the Board and states that proposals to change the *Conceptual Framework* are developed and exposed by the Board in the same way that it exposes proposed changes to Standards (paragraphs 4.20–4.23 of the *Due Process Handbook*).
- 7. Details of the due process steps that the Board has followed in the Conceptual Framework project are set out in the Agenda Papers 10F and 10C for the February and March 2017 IASB meetings, respectively. Those papers were sent to the DPOC before being discussed by the Board and are provided for information as Agenda Paper 1D(i) and Agenda Paper 1D(ii) for this meeting. The papers summarise all the mandatory and optional due process steps that have been taken on the Conceptual Framework project, including the publication of three consultative documents:

² The ASAF is an advisory group to the Board, consisting of national accounting standard-setters and regional bodies with an interest in financial reporting.

- (a) the Discussion Paper *A Review of the Conceptual Framework for Financial Reporting* (the Discussion Paper) in July 2013;
 - (b) the Exposure Draft *Conceptual Framework for Financial Reporting* (the Exposure Draft) in May 2015; and
 - (c) the Exposure Draft *Updating References to the Conceptual Framework* (the Updating References Exposure Draft) in May 2015 (see paragraph 3(b)).
8. These papers also summarise the work that the Board has undertaken on the project with consultative and other specialist advisory groups, in public hearings and during other outreach, including outreach with users of financial statements. In particular, these papers discuss the work that the Board has undertaken with the ASAF that acted as the consultative group for the Conceptual Framework project and the IFRS Advisory Council, as required in the *Due Process Handbook*. Appendix B summarises the discussions with the ASAF on the Conceptual Framework project since September 2012 when work on the project started.

Latest developments

Conceptual Framework

9. At its February 2017 Board meeting, the Board agreed the following for the revised *Conceptual Framework*:
- (a) **Due process:** all due process requirements have been met;
 - (b) **Re-exposure:** there is no need to re-expose the revised *Conceptual Framework*;
 - (c) **Permission to ballot:** sufficient consultation and analysis has been undertaken for the balloting process to begin; and
 - (d) **Dissents:** no Board member expressed the intention to dissent from the publication of the revised *Conceptual Framework*.

References to the Conceptual Framework

10. At its March 2017 Board meeting, the Board agreed the following for *References to the Conceptual Framework*:

- (a) **Due process:** all due process requirements have been met;
- (b) **Re-exposure:** there is no need to re-expose *References to the Conceptual Framework*;
- (c) **Permission to ballot:** sufficient consultation and analysis has been undertaken for the balloting process to begin; and
- (d) **Dissents:** one Board member expressed the intention to dissent from the publication of *References to the Conceptual Framework* and one other Board member is considering whether to do so.

History and approach to the project

11. In 2004, the IASB³ and the US national standard-setter, the Financial Accounting Standards Board (FASB), initiated a joint project to revise their *Conceptual Frameworks*. In September 2010, the IASB and the FASB (the boards) issued two converged chapters of the revised *Conceptual Framework*:
 - (a) The objective of general purpose financial reporting; and
 - (b) Qualitative characteristics of useful financial information.
12. These chapters came into effect as soon as they were issued and now form part of the IASB's existing *Conceptual Framework*.
13. The IASB and the FASB also worked jointly on the reporting entity concept, leading to the publication of both a Discussion Paper and an Exposure Draft on this topic. In addition, they carried out some work on the definitions of the elements of the financial statements, and on measurement. However, in November 2010, the boards suspended work on the joint *Conceptual Framework* in order to concentrate on other projects.
14. In light of the responses received on the IASB's 2011 Agenda Consultation, the IASB restarted its Conceptual Framework project in 2012. Since that time, the project has no longer been conducted jointly with the FASB⁴.

³ In this paper 'the IASB' is sometimes used instead of 'the Board' to distinguish better between 'the Board' and the FASB.

⁴ The FASB has also restarted the work on its Framework. Its initial focus is on presentation, disclosure and measurement.

15. In developing the revised *Conceptual Framework*, the IASB has built on the existing *Conceptual Framework*—updating, clarifying and filling in the gaps—rather than fundamentally reconsidering the existing *Conceptual Framework*. In particular, the IASB did not plan to reconsider the chapters on the objective of general purpose financial reporting and the qualitative characteristics of useful financial information that have been developed jointly with the FASB.

Controversial topics

Stewardship, prudence and substance over form

16. Most stakeholders supported the Board’s approach to the project of building on the existing *Conceptual Framework*. However, many stakeholders commented on the Board’s original intention not to reconsider the chapters on the objective of general purpose financial reporting and the qualitative characteristics of useful financial information developed jointly with the FASB. They urged the Board to reconsider particular aspects of those chapters to clarify the roles of stewardship, prudence, reliability and substance over form in financial reporting.
17. The Board considered that feedback and proposed to make limited changes to those chapters to clarify the roles of stewardship, prudence and substance over form in financial reporting. Many stakeholders welcomed those proposals. However, some stakeholders expressed a view that the proposed limited changes did not go far enough, in particular with respect to the notion of prudence.
18. The Board considered all viewpoints expressed in the consultation process and had extensive discussions of whether and how the proposals should be refined in the light of the feedback received. In particular, the Board redeliberated the notion of prudence at three meetings from May 2016 to October 2016. As a result, the Board decided to confirm and to clarify the proposals.

Measurement and the use of profit or loss and other comprehensive income

19. Many stakeholders expressed concerns that particular areas of the revised *Conceptual Framework* are underdeveloped and would not provide sufficient guidance to the Board in setting IFRS Standards. Those concerns related mainly to the concepts on measurement

and the use of the statement of profit or loss and other comprehensive income (OCI).

Some stakeholders suggested that the Board should either delay issuing the revised *Conceptual Framework* until those areas are further developed or issue the revised *Conceptual Framework* without the guidance on measurement and the use of the statement of profit or loss and OCI.

20. However, the Board decided that guidance on measurement and the use of the statement of profit or loss and OCI is urgently needed. In reaching that decision, the Board consulted with both the ASAF and the IFRS Advisory Council. Most members of both the ASAF and the IFRS Advisory Council supported the Board's approach to finalising the proposals in those areas. The Board also noted that many stakeholders agreed that the guidance on measurement and the use of the statement of profit or loss and OCI that will be included in the revised *Conceptual Framework* is an improvement to the current *Conceptual Framework*.

The distinction between liabilities and equity

21. Some stakeholders expressed concerns about the Board's decision not to address the distinction between liabilities and equity in the *Conceptual Framework* project and instead address it in a separate research project Financial Instruments with Characteristics of Equity (FICE). The Board decided to re-affirm this decision but emphasised its intention to update the revised *Conceptual Framework* in the future as necessary to reflect the outcome of the FICE project. In reaching that decision, the Board noted that the revised *Conceptual Framework* is an improvement on the existing *Conceptual Framework* and should not be delayed until the FICE project is completed. The Board also consulted with both the ASAF and the IFRS Advisory Council. Most members of both the ASAF and the IFRS Advisory Council supported that approach.

Long-term investment

22. Some stakeholders expressed a view that the *Conceptual Framework* should specifically address long-term investment and information needs of long-term investors. In the light of those suggestions, the Board sought feedback on this topic in the Exposure Draft. Most

respondents agreed with the Board's view that the revised *Conceptual Framework* will contain sufficient concepts to:

- (a) assist the Board in making appropriate Standard-setting decisions, including decisions for long-term investments; and
- (b) address appropriately the information needs of all users of financial statements, including long-term investors.

References to Conceptual Framework in IFRS Standards

23. While most stakeholders supported replacing references to the *Framework* in IFRS Standards with references to the *Conceptual Framework* (see paragraph 3(b)), some stakeholders expressed concerns about unintended consequences of replacing those references, in particular the potential effects on accounting for business combinations and for rate-regulated activities. In response to those concerns, the Board decided to exclude business combinations and rate-regulated activities from the scope of the amendments. Instead, the Board decided to start a project to make a narrow-scope amendment to IFRS 3 *Business Combinations* that would allow replacing the reference to the *Framework* in that Standard in a way that would prevent unintended consequences. Financial reporting of rate-regulated activities will continue to be explored in Rate-regulated Activities project.

Feedback on deliberations

24. The Board is aware of the importance of:
- (a) the need to avoid being left exposed to claims that the Board has not followed due process; and
 - (b) making sure that the Board discloses publicly the rationale used to reach tentative decisions and conclusions, with special attention to issues that were subject to substantial debate in the consultation process, including outside of the comment letters.
25. In the light of that feedback from the DPOC, the Board committed to review its public disclosure of the rationale used to reach tentative decisions and conclusions. At its

February 2015 meeting, the DPOC received a report (Agenda Paper 2D for that meeting) that set out planned improvements being employed by the Board in that area.

26. In relation to the Conceptual Framework project this has resulted in the publication of regular project updates, including:
 - (a) monthly updates on the tentative decisions made in redeliberations, including references to the relevant Agenda Papers, and monthly rolling summaries of the tentative decisions made to date;
 - (b) a series of podcasts and webcasts on the Discussion Paper and the Exposure Draft explaining the proposals and the underlying rationale;
 - (c) a case study explaining potential implications that the revised liability definition could have on accounting for provisions and contingent liabilities if the Board decided to revise respective IFRS Standards and Interpretations; and
 - (d) illustrative examples of the application of the revised definitions of assets and liabilities and the supporting concepts discussed at the September 2016 World Standard-setters Meeting.
27. In addition, the Board has placed a special emphasis on engaging with investors and analysts, in particular on the controversial topics. As part of that effort, Board members and staff have had regular discussions with the Capital Markets Advisory Groups, including discussions on stewardship, prudence, the distinction between liabilities and equity, measurement and the use of profit or loss and other comprehensive income. The Board has also published Investor Perspectives on prudence and measurement focussing on providing an update and explaining the rationale for the Board's decisions for the investor community.

Effects analysis

28. The *Conceptual Framework* is not a Standard and does not override the requirements of any Standard. As noted in the *Due Process Handbook* (paragraph 4.23), revisions to the *Conceptual Framework* will not cause immediate changes to existing IFRS Standards.

⁵ The Capital Markets Advisory Group is an independent body of the IASB and the IFRS Foundation that provides the IASB with regular input from the international community of users of financial statements.

However, the *Due Process Handbook* (paragraph 4.23) also notes that “Any changes to the *Conceptual Framework* that highlight inconsistencies in the Standards must be considered by the IASB in the light of other priorities when developing its work programme”. As the Board will use the revised *Conceptual Framework* in developing and revising IFRS Standards, it will have an effect on any new or revised Standard. Consequently, the revised *Conceptual Framework* will affect parties other than the Board when they adopt any such new or revised IFRS Standard. It will also affect those other parties when they develop new accounting policies for transactions or events that are not specifically addressed in an existing IFRS Standard.

29. The nature of the *Conceptual Framework* makes field-testing of the concepts difficult. The effect of a revised concept cannot be known in detail until a new or revised IFRS Standard is developed based on that revised concept. However, where possible, the staff have sought to identify the likely effects of the revised *Conceptual Framework*. In particular, the staff have tested the asset and liability definitions and supporting concepts proposed in the Exposure Draft, including discussing illustrative examples at the World Standard-setters Meeting in September 2016, and analysed whether and how the proposed definitions and supporting concepts could help the Board reaching decisions in some of its Standard-setting and research projects. That work was discussed by the Board at its November 2016 meeting and resulted in a number of improvements to the concepts supporting the definitions of assets and liabilities.
30. In addition, the staff sought to identify inconsistencies between existing IFRS Standards and the revised *Conceptual Framework*. A discussion of such inconsistencies was included in the Basis for Conclusions on the Exposure Draft and updated during redeliberations of the Exposure Draft. The Board discussed the work performed on identifying inconsistencies at its February 2017 meeting and noted that no additional substantive inconsistencies other than those discussed in the Exposure Draft were identified. Any such inconsistencies could lead to changes to the affected IFRS Standards if the Board were to decide in the future to amend or replace those Standards. However, as noted in paragraph 28 of this paper, any decision to amend or replace an existing IFRS Standard would need to go through the Board’s normal due process for adding a project to its agenda.

31. Further, the staff have undertaken an analysis of the effects on preparers of replacing references to the *Framework* in IFRS Standards with references to the *Conceptual Framework*. The work performed by the staff on assessing the effects of *References to the Conceptual Framework* was discussed by the Board at its February 2017 meeting. That work resulted in temporarily retaining some of the references to *Framework*, including the references that relate to accounting for business combinations and rate-regulated activities (see paragraph 23 of this paper).
32. The Board intends to publish the analysis of likely effects as a separate document at the same time as the *Conceptual Framework* and *References to the Conceptual Framework* to provide stakeholders a better understanding of potential effects.

Comment period

33. To address feedback from some constituents that the original comment period was too short for such an important document, the original comment period on both the Exposure Draft and the Updating References Exposure Draft of 150 days was extended to 180 days (which was consistent with the 180-day comment period on the Discussion Paper).

Re-exposure

34. Paragraphs 61–66 of Agenda Paper 10F for the February 2017 IASB meeting (provided as Agenda Paper 1D(i) for this meeting) and paragraphs 18–20 of Agenda Paper 10C for the March 2017 IASB meeting (provided as Agenda Paper 1D(ii) for this meeting) set out:
 - (a) the criteria for re-exposure from the *Due Process Handbook*; and
 - (b) the staff's analysis and recommendation not to re-expose the *Conceptual Framework* or *References to the Conceptual Framework* for another round of public comment.
35. The Board agreed with the staff's conclusion that no new substantial issues have been identified during the course of redeliberations on the Exposure Draft and the Updating References Exposure Draft that give rise to the need to re-expose either of those documents.

Appendix A: Conceptual Framework due process lifecycle review: Reporting to the Trustees and the DPOC

36. As part of the reports on the technical work programme, the IFRS Foundation Trustees and the DPOC have received regular updates on the status and progress of the Conceptual Framework project. The DPOC has also been updated on the due process steps undertaken in developing due process documents in the Conceptual Framework project (summarised in the table below). The latest update was provided to the DPOC by email in March 2017.
37. In addition, in April 2014 the DPOC received an update on the staff's continuing efforts to improve the transparency of the reporting of feedback from users of financial. As an example of that work, the DPOC was presented with a paper summarising the outreach with users of the financial statements on the Conceptual Framework project (Agenda Paper 3F(i) *Conceptual Framework User Feedback*).

Date	DPOC	Paper
October 2014	DPOC (by email)	The DPOC received a paper summarising the due process steps undertaken in developing the Exposure Draft ⁶ (Board Agenda Paper 10H <i>Due process summary for the Conceptual Framework Exposure Draft</i>)
September 2015	DPOC (by email)	The DPOC received a paper discussing whether to extend the comment periods on the Exposure Draft and the Updating References Exposure Draft (Board Agenda Paper 10 <i>Extension of the comment period</i>)
February 2017	DPOC (by email)	The DPOC received a paper summarising due process steps undertaken in developing the <i>Conceptual Framework</i> (Board Agenda Paper 10F <i>Due process summary for the Conceptual Framework for Financial Reporting</i>)
March 2017	DPOC (by email)	The DPOC received a paper summarising due process steps undertaken in developing References to the Conceptual Framework (IASB Agenda Paper 10C <i>Due process summary for References to the Conceptual Framework</i>)

⁶ In developing the Exposure Draft, the Board decided to issue a separate Updating References Exposure Draft to achieve updating references in IFRS Standards to the revised *Conceptual Framework*.

Appendix B: Conceptual Framework—discussions with the ASAF

38. The ASAF has acted as the Board’s consultative group on this project. This appendix provides a list of papers discussed with the ASAF since September 2012 when the work on the Conceptual Framework project started.

Month/Year of ASAF meeting:	Purpose of meeting	Agenda Paper
March 2017	<p>The purpose of this session was to seek views of the ASAF members on the proposed concepts for the <i>Conceptual Framework</i>, focusing on those concepts that had not been discussed in previous ASAF meetings. Specifically, the ASAF discussed:</p> <ul style="list-style-type: none"> (a) asymmetry; (b) reporting entity; (c) definition of a liability; and (d) executory contracts. 	<p>Agenda Paper 3: <i>Conceptual Framework</i>—Cover paper</p> <p>Agenda Paper 3A: <i>Conceptual Framework</i>—Summary of tentative decisions</p>
December 2016	<p>The purpose of this session was to consider possible changes to concepts proposed in the Exposure Draft <i>Conceptual Framework for Financial Reporting</i>, specifically:</p> <ul style="list-style-type: none"> (a) the proposed liability definition and supporting concepts (Agenda Papers 1A–1F); and (b) concepts of capital and capital maintenance (Agenda Paper 1G). 	<p>Agenda Paper 1: <i>Conceptual Framework</i>—Overview of session and questions for the ASAF</p> <p>Agenda Paper 1A: <i>Conceptual Framework</i>—Liability definition and supporting concepts—tentative decisions</p> <p>Agenda Paper 1B: <i>Conceptual Framework</i>—Liability definition and supporting concepts—background information (Board Agenda Paper 10B, November 2016)</p> <p>Agenda Paper 1C: <i>Conceptual Framework</i>—Liability definition and supporting concepts—the ‘no practical ability to avoid’ criterion (Board Agenda Paper 10C, November 2016)</p> <p>Agenda Paper 1D: <i>Conceptual Framework</i>—Liability definition and supporting concepts—reducing the risk of further changes (Board Agenda Paper 10D, November 2016)</p>

Month/Year of ASAF meeting:	Purpose of meeting	Agenda Paper
		<p>Agenda Paper 1E: <i>Conceptual Framework</i>—Liability definition and supporting concepts—other topics (Board Agenda Paper 10E, November 2016)</p> <p>Agenda Paper 1F: <i>Conceptual Framework</i>—Testing the proposed asset and liability definitions—illustrative examples (Board Agenda Paper 10F, November 2016)</p> <p>Agenda Paper 1G: <i>Conceptual Framework</i>—Concepts of capital and capital maintenance (Board Agenda Paper 10F, December 2016)</p> <p>Agenda Paper 1G, Appendices A and B: <i>Conceptual Framework</i>—Concepts of capital and capital maintenance (Board Agenda Paper 10F, December 2016)</p>
September 2016	<p>The purpose of this session was to:</p> <ul style="list-style-type: none"> (a) discuss a paper on measurement prepared by EFRAG staff (Agenda Paper 4A); (b) seek feedback on a staff draft of proposed revisions to the discussion of factors to be considered in selecting a measurement basis (Agenda Paper 4B and Agenda Paper 4C); (c) provide an update on the Board’s tentative decisions on presenting information about financial performance (Agenda 4D); and (d) discuss a paper on financial performance and measurement prepared by the ASBJ (Agenda Paper 4E). 	<p>Agenda Paper 4: <i>Conceptual Framework</i>—Cover Paper</p> <p>Agenda Paper 4A: Measurement and the Conceptual Framework (European Financial Reporting Advisory Group)</p> <p>Agenda Paper 4B: Measurement: redrafting the factors to consider in selecting a measurement basis</p> <p>Agenda Paper 4C: Measurement: suggested redraft of parts of Chapter 6</p> <p>Agenda Paper 4D: Information about financial performance</p> <p>Agenda Paper 4E: The Linkage between Financial Performance and Measurement (Accounting Standards Board of Japan)</p>
July 2016	The purpose of this session was to obtain advice from the ASAF on:	Agenda Paper 1: <i>Conceptual Framework</i> / Financial Statements with

Month/Year of ASAF meeting:	Purpose of meeting	Agenda Paper
	<p>(a) staff suggestions for possible refinements to the concepts proposed to support the liability definition (Agenda Paper 1A);</p> <p>(b) the circumstances in which ‘economic compulsion’ should be considered when classifying claims (claims against an entity that grant the issuer the right to choose between two alternative settlement outcomes) as liabilities or equity (Agenda Paper 1B); and</p> <p>(c) staff suggestions for possible refinements to the concepts proposed for recognition of assets and liabilities with a low probability of inflows or outflows of economic benefits (Agenda Paper 1C).</p>	<p>Characteristics of Equity—Introduction to the session</p> <p>Agenda Paper 1A: <i>Conceptual Framework</i>—Concepts to support the liability definition</p> <p>Agenda Paper 1B: Financial Instruments with the Characteristics of Equity</p> <p>Agenda Paper 1C: <i>Conceptual Framework</i>—Recognition—low probability of a flow of economic benefits</p>
April 2016	The purpose of this session was to seek the ASAF’s advice on the strategy for finalising the <i>Conceptual Framework</i> .	The ASAF members were provided with, and discussed, the feedback summaries presented to the Board at its meeting in March 2016.
December 2015	During this session the Accounting Standards Board of Japan (ASBJ) presented its analysis and proposal regarding the recognition criteria in the <i>Conceptual Framework</i> (Agenda Paper 3 and Agenda Paper 3A).	<p>Agenda Paper 3: <i>Conceptual Framework: Recognition Criteria in the Conceptual Framework</i> (ASBJ)</p> <p>Agenda Paper 3A: <i>Conceptual Framework: Recognition Criteria in the Conceptual Framework</i> (ASBJ)</p>
October 2015	<p>The purpose of this session was to:</p> <p>(a) provide ASAF members with summaries of the discussions from the World Standard-setters Meeting regarding:</p> <p>(i) the proposed guidance on the selection of a measurement basis; and</p>	<p>Agenda Paper 2: <i>Conceptual Framework: Cover paper</i></p> <p>Agenda Paper 2A: <i>Conceptual Framework: Measurement</i></p> <p>Agenda Paper 2B: <i>Conceptual Framework: Implications of the Exposure Draft Conceptual Framework for Financial Reporting for the Rate-regulated Activities project</i></p>

Month/Year of ASAF meeting:	Purpose of meeting	Agenda Paper
	<p>(ii) the proposed concepts on identifying liabilities, recognition and measurement</p> <p>(b) ask for the ASAF's feedback on the proposed guidance on factors to consider when selecting a measurement basis and situations in which more than one measurement basis is needed to provide relevant information about an item (Agenda Paper 2A); and</p> <p>(c) ask for the ASAF's feedback on the implications of the Exposure Draft Conceptual Framework for Financial Reporting for the direction of the Rate-regulated Activities project (Agenda Paper 2B).</p>	<p>Agenda Paper 2B Appendix 2: <i>Conceptual Framework</i>: Implications of the <i>Conceptual Framework</i> proposals for the Rate-regulated Activities project (presentation slides)</p>
July 2015	<p>The purpose of the session was to obtain the ASAF's initial feedback on the recognition and derecognition proposals in the Board's Exposure Draft <i>Conceptual Framework for Financial Reporting</i> (Agenda Paper 3). The ASAF also discussed a paper prepared by EFRAG (Agenda Paper 3A).</p>	<p>Agenda Paper 3: <i>Conceptual Framework</i>: Recognition and derecognition</p> <p>Agenda Paper 3A: <i>Conceptual Framework</i> (EFRAG)</p>
March 2015	<p>The purpose of this session was to discuss the description of measurement bases proposed for the <i>Conceptual Framework</i>. In particular, whether:</p> <p>(a) the IASB staff have identified the right measurement bases;</p> <p>(b) the IASB staff have correctly described the identified measurement bases;</p> <p>(c) the IASB staff have correctly described the information</p>	<p>Agenda Paper 2: <i>Conceptual Framework</i>: Cover note</p> <p>Agenda Paper 2A: <i>Conceptual Framework</i>: Identification, Description and Classification of Measurement Bases (ASBJ)</p> <p>Agenda Paper 2B: <i>Conceptual Framework</i>: Role of "Nature of an Entity's Business Activities" in Accounting Standard-Setting (ASBJ)</p> <p>Agenda Paper 2C: <i>Conceptual Framework</i>: Points on measurement (ASBJ)</p>

Month/Year of ASAF meeting:	Purpose of meeting	Agenda Paper
	<p>provided by the identified measurement bases;</p> <p>(d) it is appropriate to classify the measurement bases as historical cost or current value or whether a different classification would be more appropriate.</p> <p>A representative from the ASBJ presented Agenda Paper 2A and Agenda Paper 2B to facilitate the discussion.</p>	
September 2014	<p>The purpose of this session was to:</p> <p>(a) provide ASAF members with a progress update on the Conceptual Framework project (Agenda Paper 6);</p> <p>(b) seek the ASAF's feedback on the tentative decisions made about measurement (Agenda Paper 6); and</p> <p>(c) discuss the September 2014 IASB paper on the implications of long-term investment for the <i>Conceptual Framework</i> (Agenda Paper 6A).</p>	<p>Agenda Paper 6: <i>Conceptual Framework</i>: Project update and measurement</p> <p>Agenda Paper 6A: <i>Conceptual Framework</i>: Implications of long-term investment for the <i>Conceptual Framework</i></p>
June 2014	<p>The purpose of this session was to:</p> <p>(a) provide ASAF members with an update on the progress of the Conceptual Framework project; and</p> <p>(b) ask for the ASAF's views on:</p> <p>(i) whether the notion of a business model (or similar notions) should play a role in financial reporting, and how can it help in standard-setting (Agenda Paper 8A); and</p> <p>(ii) the staff thinking on the nature of the assets and liabilities in</p>	<p>Agenda Paper 6: <i>Conceptual Framework</i>: The reporting of income and expense and the choice of measurement bases (Roger Marshall and Andrew Lennard)</p> <p>Agenda Paper 8: <i>Conceptual Framework</i>: Cover note</p> <p>Agenda Paper 8A: <i>Conceptual Framework</i>: Business models</p> <p>Agenda Paper 8B: <i>Conceptual Framework</i>: Executory contracts</p>

Month/Year of ASAF meeting:	Purpose of meeting	Agenda Paper
	<p>executory contracts, with the aim of developing concepts for inclusion in the <i>Conceptual Framework</i> (Agenda Paper 8B).</p> <p>(c) discuss a paper written by Roger Marshall and Andrew Lennard on the reporting of income and expense and the choice of measurement bases.</p>	
March 2014	<p>The purpose of this session was to obtain some strategic advice from the ASAF on how the Board should move forward on the following sections of the <i>Conceptual Framework</i>:</p> <p>(a) Section 5—Definition of equity and distinction between liability and equity elements (Agenda Paper 6B);</p> <p>(b) Section 6—Measurement (Agenda Paper 6C); and</p> <p>(c) Section 8—Presentation in the statement of comprehensive income (Agenda Paper 6D).</p>	<p>Agenda Paper 5A: <i>Conceptual Framework</i>—A Revised Model for Presentation in the Statement(s) of Financial Performance: Potential Implications for Measurement (Thomas J. Linsmeier)</p> <p>Agenda Paper 5B: A Revised Model for Presentation in the Statement (s) of Financial Performance: Potential Implications for Measurement (presentation slides)</p> <p>Agenda Paper 6A: <i>Conceptual Framework</i>—Cover Note</p> <p>Agenda Paper 6B: <i>Conceptual Framework</i>—Definition of equity and distinction between equity and liability elements</p> <p>Agenda Paper 6C: <i>Conceptual Framework</i>—How to move the measurement section forward</p> <p>Agenda Paper 6C(i): <i>Conceptual Framework</i>—How to move the measurement section forward (presentation slides)</p> <p>Agenda Paper 6D: <i>Conceptual Framework</i>—Presentation in the statement of comprehensive income</p>

Month/Year of ASAF meeting:	Purpose of meeting	Agenda Paper
		<p>Agenda Paper 6E(i): <i>Conceptual Framework</i>—Comment letters submitted by ASAF members</p> <p>Agenda Paper 6E(ii): <i>Conceptual Framework</i>—Comment letter submitted by ASBJ</p> <p>Agenda Paper 6E(iii): <i>Conceptual Framework</i>—Comment letter submitted by Group of Latin American Accounting Standard Setters</p>
December 2013	<p>The purpose of this session was to discuss:</p> <ul style="list-style-type: none"> (a) papers prepared by EFRAG on stewardship (Agenda Paper 1/1a) and reliability (Agenda Paper 2/2a); (b) a paper prepared by ASBJ on profit and loss, measurement and OCI (Agenda Paper 3); and (c) a paper prepared by Warren McGregor on liabilities (Agenda Paper 4/4a). 	<p>Agenda Paper 1: Stewardship (EFRAG et al.)</p> <p>Agenda Paper 1a: Stewardship (presentation slides; Andrew Lennard)</p> <p>Agenda Paper 2: Reliability (EFRAG et al.)</p> <p>Agenda Paper 2a: Reliability (presentation slides; Andrew Lennard)</p> <p>Agenda Paper 3: Profit and loss, measurement and OCI (ASBJ)</p> <p>Agenda Paper 4: Liabilities (AASB)</p> <p>Agenda Paper 4a: Liabilities (presentation slides; Warren J McGregor)</p>
September 2013	The purpose of this session was to discuss an EFRAG Bulletin on the <i>Conceptual Framework</i> (Agenda Paper 6).	Agenda Paper 6: <i>Conceptual Framework</i> : EFRAG Bulletin—Getting a Better Framework (EFRAG)
April 2013	The purpose of this session was to discuss initial drafting of the <i>Conceptual Framework</i> discussion paper.	The ASAF members discussed an initial draft of the <i>Conceptual Framework</i> Discussion Paper that was presented to the Board at its February 2013 and March 2013 meetings.