

## STAFF PAPER

September 2017

## Accounting Standards Advisory Forum

<b>Project</b>	<b>Accounting Standards Advisory Forum</b>		
<b>Paper topic</b>	<b>IASB<sup>®</sup> Project Update &amp; Agenda Planning</b>		
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This paper has been prepared for discussion at a public meeting of the Accounting Standards Advisory Forum. The views expressed in this paper do not represent the views of the International Accounting Standards Board (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*.

**Introduction**

1. The aim of this paper is to:
  - (a) discuss the agenda topics for the December 2017 Accounting Standards Advisory Forum (ASAF) meeting;
  - (b) provide the ASAF with a short update on International Accounting Standards Board<sup>®</sup> (Board) agenda projects; and
  - (c) provide ASAF members with feedback on how the staff or the Board have considered (or will consider) the advice given at the July 2017 ASAF meeting.

**Project update and agenda planning**

2. Appendix A of this paper sets out the suggested agenda topics for the December 2017 ASAF meeting.
3. An update on the Board's work plan, as at 25 August 2017, is summarised in Appendix B of this paper. Further details of the projects are available on the website.
4. Appendix C of this paper sets out a table summarising the feedback from the July 2017 ASAF meeting and how the staff or the Board have used this feedback.

**Questions to ASAF members**

1. Do ASAF members have any comments on the proposed agenda topics for the December 2017 ASAF meeting (Appendix A)?
2. Do ASAF members wish to add items arising from their jurisdiction to the proposed agenda topics?
3. Do ASAF members have any comments on the project update (Appendix B) or on when the Board plans to seek the advice of the ASAF?

## Appendix A ASAF Agenda topics

Meeting	Agenda topic
July 2017 (Actual)	<i>Disclosure Initiative—Principles of Disclosure</i>
	Post-implementation Review of IFRS 13 <i>Fair Value Measurement</i>
	<i>Property, Plant and Equipment—Proceeds before Intended Use</i> (Proposed amendments to IAS 16)
	<i>Improvements to IFRS 8 Operating Segments</i> (Proposed amendments to IFRS 8 and IAS 34)
	Primary Financial Statements
	Rate-regulated Activities
	Wider Corporate Reporting
	Goodwill and Impairment
September 2017 (Actual)	Primary Financial Statements
	Post-implementation Review of IFRS 13 <i>Fair Value Measurement</i>
	Definition of a business
	Goodwill and Impairment
	Rate-regulated Activities
December 2017	Primary Financial Statements
	<i>Disclosure Initiative—Principles of Disclosure</i>
	<i>Disclosure Initiative—Definition of Material</i>
	Other Comprehensive Income – Accounting Standards Board of Japan and Organismo Italiano di Contabilità
	Business Combinations Under Common Control
	Dynamic Risk Management

## Project Update 25 August 2017

Project	Project objective	Past ASAF input	Future ASAF input
<b>Research Projects</b>			
Principles of Disclosure (POD)	<p>The Board is consulting stakeholders about possible principles of disclosure that could help the Board develop better disclosure requirements and help companies communicate information more effectively to users of financial statements.</p> <p>The Discussion Paper <i>Disclosure Initiative—Principles of Disclosure</i> is open for comment until 2 October 2017.</p>	<p><b>July 2017</b> ASAF members shared initial feedback from their jurisdictions on the proposals in the Discussion Paper.</p> <p>Advice was requested on all major topics discussed in the <i>Principles of Disclosure</i> Discussion Paper.</p>	<p><b>December 2017</b> ASAF will be asked to discuss feedback on the Discussion Paper and next steps in the project.</p>

## Project Update 25 August 2017

Project	Project objective	Past ASAF input	Future ASAF input
Primary Financial Statements	<p>The Board is exploring targeted improvements to the structure and content of the primary financial statements, with a focus on the statement(s) of financial performance.</p> <p>The Board will continue its discussions through the second half of 2017 before deciding whether to publish a Discussion Paper or an Exposure Draft.</p>	<p><b>July 2017</b> ASAF members discussed papers on:</p> <ul style="list-style-type: none"> <li>(i) the presentation of earnings before interest and tax (EBIT);</li> <li>(ii) the presentation of a management operating performance measure; and</li> <li>(iii) the presentation of the share of profit or loss of associates and joint ventures.</li> </ul> <p><b>March 2017</b> The ASAF discussed the outcome of the initial research and proposed scope of the project.</p> <p><b>July 2016</b> We asked the ASAF's advice on the scope of the project.</p> <p>ASAF also discussed the UK Financial Reporting Council's staff paper on the statement of cash flows.</p> <p><b>December 2015</b> ASAF members received a verbal update on the project.</p>	<p><b>September 2017</b> ASAF will discuss:</p> <ul style="list-style-type: none"> <li>(i) research by the New Zealand Accounting Standards Board on the views of investors about the usefulness of alternative performance measures; and</li> <li>(ii) feedback on the UK Financial Reporting Council's Discussion Paper <i>Improving the Statement of Cash Flows</i>.</li> </ul> <p><b>December 2017</b> Topics for discussion with the ASAF will depend on the progress of the Board's discussion in October and November 2017.</p>

## Project Update 25 August 2017

Project	Project objective	Past ASAF input	Future ASAF input
<p>Business Combinations under Common Control (BCUCC)</p>	<p>The Board is examining how companies should account for group reorganisations. ‘Business combinations under common control’ are outside the scope of IFRS Standards and are currently accounted for in different ways.</p> <p>The Board plans to publish a Discussion Paper in 2018.</p>	<p><b>April 2016</b> We asked the ASAF’s advice on the approach to the project.</p> <p><b>December 2015</b> The Hong Kong Institute of Certified Public Accountants (HKICPA) presented a paper on how BCUCC are accounted for in Hong Kong.</p> <p>The staff requested ASAF members’ views on how the predecessor method should be applied when a BCUCC takes place.</p> <p><b>March 2015</b> We asked advice on the staff’s preliminary view on which method to apply for a BCUCC.</p> <p>The ASAF has also discussed a paper by the Canadian Accounting Standards Board, which set out the historical and current accounting practices in Canada for BCUCC, with specific reference to the Canadian related party accounting Standard.</p>	<p><b>December 2017</b> We will ask for ASAF’s advice on proposals to be considered by the Board in Q3 of 2017.</p>

## Project Update 25 August 2017

Project	Project objective	Past ASAF input	Future ASAF input
Dynamic Risk Management	<p>The Board is exploring whether it can develop an accounting model that will provide users of financial statements with better information about a company's dynamic risk management activities and how it manages those activities.</p> <p>The Board plans to publish a Discussion Paper in 2018.</p>	<p><b>March 2017</b> The ASAF discussed the research findings from the work undertaken by the European Financial Reporting Advisory Group (EFRAG).</p> <p><b>July 2015</b> ASAF's advice was requested on additional information needs relating to an entity's dynamic interest rate risk management activities not identified through comment letters on the Discussion Paper and through outreach activities.</p> <p>We asked ASAF's advice in developing the Discussion Paper.</p>	<p><b>December 2017</b> The staff will seek further advice from the ASAF following Board discussions.</p>

## Project Update 25 August 2017

Project	Project objective	Past ASAF input	Future ASAF input
<p>Financial Instruments with Characteristics of Equity</p>	<p>The Board is exploring whether it can improve the existing requirements in IAS 32 <i>Financial Instruments: Presentation</i> for classifying financial instruments that have characteristics of both a liability and equity. The Board will also examine presentation and disclosure requirements.</p> <p>The Board plans to publish a Discussion Paper at the end of 2017.</p>	<p><b>March 2017</b> The ASAF discussed possible examples that illustrate the practical implications of the model that will be included in the forthcoming Discussion Paper.</p> <p><b>December 2016</b> We asked ASAF's advice on the project outreach and messaging.</p> <p><b>July 2016</b> We asked ASAF's advice on how to apply the 'no practical ability to avoid' concept to classification of liabilities and equity.</p> <p><b>March 2015</b> The ASAF discussed examples of financial instruments with characteristics of equity.</p> <p>The ASAF also discussed the feedback on EFRAG's Discussion Paper <i>Classification of Claims</i>.</p> <p>The ASAF has provided advice on the scope of this project.</p>	<p><b>September 2017</b> The World Standard-setters conference includes case studies on the Board's proposals to be included in the forthcoming Discussion Paper.</p> <p>We will provide an opportunity for ASAF members to share initial views on the proposals in the Discussion Paper during the comment period.</p>

## Project Update 25 August 2017

Project	Project objective	Past ASAF input	Future ASAF input
Goodwill and Impairment	<p>The Board is exploring whether the existing impairment test for goodwill can be improved or simplified, whether goodwill should be amortised and which intangible assets should be separated from goodwill.</p> <p>The Board will continue its discussions through the second half of 2017 before deciding the next steps.</p>	<p><b>July 2017</b>  ASAF discussed two papers by the Accounting Standards Board of Japan (ASBJ):</p> <ul style="list-style-type: none"> <li>(i) Possible Approaches to Addressing the Too-Little-Too-Late issue;</li> <li>(ii) Research Paper No.3: <i>Analyst Views on Financial Information about Goodwill</i>.</li> </ul> <p>In addition, ASAF discussed approaches to the impairment model.</p> <p><b>July 2016</b>  ASAF discussed findings from the research on Goodwill and Impairment undertaken by the ASBJ and European Financial Reporting Advisory Group (EFRAG).</p> <p><b>December 2015</b>  We asked ASAF's advice on the Board's tentative decisions from meetings in October and November 2015.</p>	<p><b>September 2017</b>  ASAF will discuss:</p> <ul style="list-style-type: none"> <li>(i) proposals in the EFRAG Discussion Paper <i>Goodwill Impairment Test: Can it be improved?</i>; and</li> <li>(ii) staff proposals to improve the effectiveness measures for the impairment test.</li> </ul>

## Project Update 25 August 2017

Project	Project objective	Past ASAF input	Future ASAF input
Discount Rates	<p>The Board examined why different IFRS® Standards require different discount rates. The Board identified some discount rate issues that may be investigated while doing other projects.</p> <p>The Board plans to publish a summary of the research findings later in 2017.</p>	<p><b>July 2015</b> The ASAF discussed the findings of the research work.</p> <p>The ASAF has previously discussed the approach to this project.</p>	<p>The Board has completed its assessment of these projects and plans no further work.</p> <p>The staff are considering how best to make the work performed visible and retrievable.</p> <p>We do not expect to ask further advice from ASAF.</p>
Share-based Payment	<p>The Board examined why IFRS 2 <i>Share-based Payments</i> generated many application questions for the IFRS Interpretations Committee. Several of these resulted in narrow-scope amendments.</p> <p>The Board has completed its research and concluded that no further amendments to IFRS 2 are needed.</p> <p>The Board plans to publish a summary of the research findings later in 2017.</p>	<p><b>April 2016</b> We asked ASAF's advice on the possible next steps in this project.</p>	

## Project Update 25 August 2017

Project	Project objective	Past ASAF input	Future ASAF input
<b>Standard-setting and related projects</b>			
<p><i>Conceptual Framework</i></p> <p>The ASAF acts as the advisory body for this project.</p>	<p>The Board is finalising an update to the <i>Conceptual Framework for Financial Reporting</i> to provide a more complete, clear and updated set of concepts to use when the Board develops or revises IFRS Standards.</p> <p>The Board plans to publish the revised <i>Conceptual Framework</i> around the end of 2017.</p>	<p><b>March 2017</b> ASAF discussed members' additional comments on the proposals in the Exposure Draft <i>Conceptual Framework for Financial Reporting</i>.</p> <p><b>December 2016</b> We asked ASAF's advice on:</p> <ul style="list-style-type: none"> <li>(a) the concepts supporting the liability definition; and</li> <li>(b) the staff recommendations for the approach to capital maintenance in the revised <i>Conceptual Framework</i>.</li> </ul> <p><b>September 2016</b> We asked ASAF's advice on:</p> <ul style="list-style-type: none"> <li>(a) the selection of a relevant measurement basis; and</li> <li>(b) the link between the reporting of financial performance and measurement.</li> </ul> <p><b>July 2016</b> We asked ASAF's advice on:</p> <ul style="list-style-type: none"> <li>(a) possible refinements to the proposed liability concepts;</li> <li>(b) whether and how to apply the 'no practical ability to avoid' concept to classification of liabilities and equity; and</li> <li>(c) possible refinements to the proposed concepts for recognition of assets and</li> </ul>	<p>The Board has concluded its deliberations of the proposals in the Exposure Draft <i>Conceptual Framework for Financial Reporting</i>.</p> <p>We are holding an education session at the World Standard-setters conference in September 2017.</p> <p>Currently we are not anticipating further discussions with ASAF.</p>

## Project Update 25 August 2017

Project	Project objective	Past ASAF input	Future ASAF input
		<p>liabilities with a low probability of inflows or outflows of economic benefits.</p> <p><b>April 2016</b> We asked ASAF's advice on the strategy for developing the <i>Conceptual Framework</i>.</p>	
Disclosure Initiative—Materiality Practice Statement	<p>The Board is finalising a Practice Statement to provide guidance on how to apply judgement in deciding what financial information is material in preparing IFRS financial statements.</p> <p>The Board plans to publish the Practice Statement later in 2017. It will be non-mandatory and will come into effect immediately.</p>	<p><b>July 2016</b> We asked ASAF's advice on matters from the feedback on the draft Practice Statement.</p> <p><b>December 2015</b> ASAF members' preliminary views on the draft Practice Statement were requested.</p>	<p>We do not envisage requesting further advice from ASAF.</p> <p>Due to be issued September 2017.</p>
<p><i>Disclosure Initiative—Definition of Material</i></p> <p>(Amendments to IAS 1 and IAS 8)</p>	<p>The Board will propose clarifying the definition of what information is material in preparing financial statements.</p>	<p>Discussed (indirectly) as part of the Disclosure Initiative in March 2015.</p>	<p><b>December 2017</b> ASAF advice will be requested on the proposals in the Exposure Draft, expected to be published in September 2017.</p>
Rate-regulated Activities	<p>The Board is exploring whether IFRS Standards should be amended to reflect the effects of rate regulation. It has had initial discussions on a new accounting model for rate-regulated activities.</p> <p>The Board will continue its discussions through the second half of 2017 before deciding whether to publish a second Discussion Paper or an Exposure Draft.</p>	<p><b>July 2017</b> ASAF advice on the draft model for accounting for rate-regulated activities was requested.</p> <p><b>March 2017</b> The ASAF received an update on the Board's deliberations.</p> <p><b>December 2016</b> We asked ASAF's advice on the core principles and key features of the model.</p>	<p><b>September 2017</b> Advice requested will depend on how the project discussions with the Board progress.</p> <p>The World Standard-setters conference includes case studies on the Board's proposals to be included in the forthcoming Discussion Paper or Exposure Draft.</p>

## Project Update 25 August 2017

Project	Project objective	Past ASAF input	Future ASAF input
<b>Post-implementation reviews (PIR)</b>			
IFRS 13 <i>Fair Value Measurement</i>	<p>The Board is examining the effect of IFRS 13 <i>Fair Value Measurement</i> on financial reporting. IFRS 13 came into effect in 2013, introducing a framework for measuring fair value.</p> <p>The Board has published a Request for Information. Stakeholders can provide feedback on their experiences with IFRS 13 until 22 September 2017.</p>	<p><b>July 2017</b> We requested ASAF members' initial views on the Request for Information published May 2017.</p> <p><b>December 2016</b> We asked ASAF's advice on the scope of the second phase of the PIR of IFRS 13.</p>	<p><b>September 2017</b> ASAF will receive an overview of the information received on the Request for Information.</p>

## Project Update 25 August 2017

Project	Objective	Status	Next steps
<b>Maintenance projects</b>			
<b>Accounting Policies and Estimates</b> (Amendments to IAS 8)	The Board will propose clarifying the distinction between a change in accounting policy and a change in an accounting estimate—the two are accounted for differently.	The Board has completed the balloting process.	The Board plans to publish an Exposure Draft in September 2017.
<b>Accounting policy changes</b> (Amendments to IAS 8)	The Board tentatively decided to amend IAS 8 to lower the impracticability threshold regarding retrospective application of voluntary changes in accounting policies that result from agenda decisions. The proposed threshold would include a consideration of the benefits and costs of applying the change retrospectively.	The Board will discuss the proposed new threshold at a future meeting.  ASAF discussed the proposals at its July 2017 meeting.	The Board plans to publish an Exposure Draft in H1 of 2018.
<b>Availability of a Refund</b> (Amendments to IFRIC 14)	The Board has proposed amending IFRIC 14 IAS 19— <i>The Limit on a Defined Benefit Asset, Minimum Funding Requirement</i> to clarify the accounting when other parties have rights to make particular decisions about a company's defined benefit plan.	At its July 2017 meeting the Board was provided with information on the expected effect of the amendments to IFRIC 14. The Board is continuing its work on the possible effects of the proposed amendments.	The Board plans to issue the amendments in H1 of 2018.
<b>Plan Amendment, Curtailment or Settlement</b> (Amendments to IAS 19)	The Board has proposed amending IAS 19 to clarify the accounting when a plan amendment, curtailment or settlement occurs.	At its April 2017 meeting the Board tentatively decided to finalise the proposed amendments subject to drafting changes. The Board will consider the effective date and due process steps at a future meeting.	
<b>Classification of Liabilities</b> (Amendments to IAS 1)	The Board has proposed clarifying whether companies classify debt as current or non-current if they have a right to renew the debt.	At its February 2016 meeting the Board discussed some of the main comments received on the Exposure Draft.	The Board will continue its discussion alongside the final stages of revising the <i>Conceptual Framework for Financial Reporting</i> .

## Project Update 25 August 2017

Project	Objective	Status	Next steps
<b>Maintenance projects</b>			
<b>Definition of a Business</b> (Amendment to IFRS 3)	The Board has proposed clarifying how a company determines whether it has acquired a business or a group of assets. The accounting models differ for those two types of transactions.	At its September 2017 meeting the ASAF will discuss a comparison between the Board's tentative decisions made at its April and June 2017 meetings and the Accounting Standards Update <i>Clarifying the Definition of a Business</i> issued by the FASB in January 2017.	The Board plans to complete its discussions on the feedback on its proposals in the second half of 2017.
<b>Improvements to IFRS 8 Operating Segments</b> (Proposed amendments to IFRS 8 and IAS 34)  Comment period closed 31 July 2017.	The Board has published an Exposure Draft proposing to clarify the meaning of 'chief operating decision maker' and to improve the disclosure requirements for operating segments.	ASAF discussed the Exposure Draft at its July 2017 meeting.	The Board will consider stakeholders' feedback on its proposals later in 2017.
<b>Long-term interests in associates and joint ventures</b> (Amendments to IAS 28)	The Board has proposed clarifying that a company applies IFRS 9 <i>Financial Instruments</i> to long-term interests in an associate or joint venture if it does not apply the equity method to those interests.	The Board discussed the transition requirements for first-time adopters and due process steps at its June 2017 meeting.	The Board plans to finalise the amendments to IAS 28 in October 2017.
<b>Prepayment features with negative compensation</b> (Amendments to IFRS 9)	The Board has proposed amendments to IFRS 9 <i>Financial Instruments</i> to enable companies to measure at amortised cost some prepayable financial assets with so-called negative compensation.	ASAF received an update on this project at its meeting in July 2017.	The Board plans to issue the amendments in October 2017.
<b>Previously Held Interests in Joint Operation</b> (Amendment to IFRS 3 and IFRS 11)	The Board has proposed amendments to IFRS 3 <i>Business Combinations</i> and IFRS 11 <i>Joint Arrangements</i> to clarify how a company accounts for obtaining control (or joint control) of a joint operation if the company already holds an interest in the joint operation.	At its April 2017 meeting the Board tentatively decided to finalise the proposed amendments to IFRS 3 and IFRS 11.  The Board will consider the effective date and due process steps at a future meeting.	The Board plans to finalise the amendments later in 2017.

## Project Update 25 August 2017

Project	Objective	Status	Next steps
<b>Maintenance projects</b>			
<b>Property, Plant and Equipment—Proceeds before Intended Use</b> (Amendments to IAS 16)	The Board has examined how companies account for the proceeds from selling items produced while testing an item of plant or equipment before it is used for its intended purpose. The Board has proposed narrow-scope amendments to reduce the diversity in accounting for those proceeds.	Out for comment.  The Exposure Draft was discussed at the July 2017 ASAF meeting	Comment period closes 19 October 2017.
<b>Annual Improvements 2015-2017 Cycle</b>			
<b>Borrowing costs eligible for capitalisation</b> (Amendments to IAS 23)	The Board has proposed amending IAS 23 to clarify which borrowing costs are eligible for capitalisation in particular circumstances	The Board has tentatively decided to finalise the amendments with no substantive changes.	The Board plans to finalise the amendments later in 2017.
<b>Income tax consequences of payments on instruments classified as equity</b> (Amendments to IAS 12)	The Board has proposed amending IAS 12 to clarify that the requirements in paragraph 52B apply to all income tax consequences of dividends.	The Board will consider the effective date and due process steps at a future meeting.	
<b>Next Annual Improvements Cycle</b>			
<b>Fees in the '10 per cent' test for derecognition</b> (Amendments to IFRS 9)	The Board will publish a proposal to amend IFRS 9 <i>Financial Instruments</i> to clarify which fees and costs a company includes in a quantitative '10 per cent' test for assessing whether to derecognise a financial liability.	At its meeting in April 2017, the Board tentatively decided to amend IFRS 9 as part of the next annual improvements cycle.	The timing of publication of the proposed amendments depends on the identification of other matters for inclusion in the annual improvements process.

Topic	Summary of advice	Action
<b>Disclosure Initiative—Principles of Disclosure</b>		
<b>Overview of the disclosure problem and objective of the project</b>	<p>ASAF members generally agreed the disclosure problem existed but there were varying views on the cause of the disclosure problem. A member said some stakeholder believe the problem is partly due to 'non-IFRS' disclosures. Another member said some users agree that disclosure overload is problematic for less sophisticated or time-constrained users, however analysing large amounts of data is not an issue for them.</p> <p>Another member said it is not clear to some stakeholders what the objective of the <i>Principles of Disclosure</i> project is: (1) to address some specific disclosure issues or (2) provide a comprehensive framework for disclosures. In this member's view, the principles proposed in the Discussion Paper would address the first possible objective, but not the second.</p>	<p>Feedback received at the meeting will be included in the Feedback Summary to the Discussion Paper <i>Principles of Disclosure</i></p>
<b>Principles of effective communication</b>	<p>ASAF members generally supported the principles of effective communication outlined in the Discussion Paper although there was some discussion about the application of the principles in practice.</p>	
<b>Location of information</b>	<p>ASAF members' comments included:</p> <ul style="list-style-type: none"> <li>(a) the integrity of the financial statements as a stand-alone document should be preserved.</li> <li>(b) concerns about whether information required by IFRS Standards could be audited if provided outside the financial statements.</li> <li>(c) stakeholders find it challenging to distinguish between 'IFRS disclosures' and 'non-IFRS disclosures' given the requirement in IAS 1 <i>Presentation of Financial Statements</i> to provide additional information if it is relevant to an understanding of an entity's financial statements.</li> </ul>	

Topic	Summary of advice	Action
<b><i>Use of performance measures in the financial statements</i></b>	Some ASAF members said that their stakeholders generally disagreed with the Board's preliminary view, stated in the Discussion Paper, that it should develop definitions and requirements for the fair presentation of unusual or infrequently occurring items.	
<b><i>Disclosure of accounting policies</i></b>	ASAF members said stakeholders generally agreed with the proposals in the Discussion Paper that Category 1 policies should be disclosed and that Category 3 policies need not be disclosed. However, stakeholders expressed mixed views about disclosing accounting policies in Category 2, with some stakeholders suggesting these accounting policies could be disclosed on entities' websites or at the back of the financial statements.	
<b><i>Centralised disclosure objectives and NZASB staff's approach</i></b>	Some ASAF members said that the Board should clarify the implications of the methods proposed in the Discussion Paper for developing centralised disclosure objectives further.	
<b>Goodwill and Impairment</b>		
<b><i>Possible approach for addressing the 'too little, too late' issue</i></b>	ASAF members generally did not support the ASBJ's suggestion to introduce an option to adopt an amortisation and impairment model (the optional approach), mainly because it would impair comparability.	
<b><i>Possible approaches to simplifying and improving goodwill impairment testing</i></b>	<p><b><i>Single model approach</i></b></p> <p>ASAF members generally support the suggestion the Board not limit the discussion on a single-model approach only to goodwill, but should also discuss other non-current non-financial assets within the scope of IAS 36.</p> <p>ASAF members said there are different views on the usefulness of value in use (VIU) and fair value less costs of disposal (FVLCD). For instance, the mining industry supports FVLCD because of the restrictions on the cash flows included in VIU in relation to estimating future cash flows for the asset in its current condition.</p>	The advice will be taken into consideration in developing the Discussion Paper or the Exposure Draft.

Topic	Summary of advice	Action
	<p><b><i>Indicator-only approach</i></b></p> <p>It was proposed the Board explore further an indicator-only approach.</p>	
<p><b>Accounting policy changes (amendments to IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>)</b></p>		
<p><b><i>Overall</i></b></p>	<p>ASAF members were generally supportive of addressing the matter and of the direction proposed by the Board. Several members said enforcers in their jurisdictions expect entities to apply accounting policies in line with explanatory material in agenda decisions, creating challenges for entities whose policies are not aligned with that explanatory material.</p>	
<p><b><i>Lowering threshold for voluntary changes resulting from agenda decisions</i></b></p>	<p>Most ASAF members agreed with the Board's tentative decision to lower the impracticability threshold. However, members had mixed views on whether a lower threshold should apply to all voluntary changes in accounting policy or only to accounting policy changes resulting from agenda decisions.</p> <p>Most ASAF members generally supported a proposed threshold that would involve consideration of the benefits and costs of applying a change retrospectively.</p>	<p>The advice will be provided to Board at a future meeting.</p>
<p><b>Post-implementation Review of IFRS 13 <i>Fair Value Measurement</i></b></p>		
	<p>Generally, ASAF members agreed with the focus areas of the Request for Information, with many members noting that outreach activities with stakeholders are just commencing.</p> <p>ASAF members provided a summary of their outreach plans.</p>	

Topic	Summary of advice	Action
<b>Primary Financial Statements</b>		
<b><i>Earnings before finance income/expenses and tax (EBIT)</i></b>	<p>ASAF members supported the presentation of an EBIT subtotal in the statement(s) of financial performance, but some acknowledged that defining EBIT would be a challenging undertaking for the Board.</p> <p>Some members challenged the proposed definition for EBIT, raising specific operational issues.</p>	<p>The advice has been considered in developing revised proposals about an EBIT subtotal expected to be discussed with the Board in September 2017.</p>
<b><i>Management performance measures and adjusted earnings per share</i></b>	<p>ASAF members had some concerns about the staff proposals for introducing a management performance measure in the statement(s) of financial performance. Concerns included allowing too much flexibility in presenting the management performance measure and members said there was a need to develop strict guidance about the measure. However, other ASAF members cautioned that the management performance measure might not represent management's view of performance if it is subject to restrictions—for example if some items, such as the share of profit or loss of associates and joint ventures, are required to be presented below EBIT.</p> <p>Few comments were made about the staff proposals for adjusted earnings per share in the statement(s) of financial performance.</p>	<p>The staff will consider feedback on management performance measures and adjusted earnings per share when these are developed further for a future Board meeting.</p> <p>All advice will be included in the September Board papers.</p>
<b><i>Share of the profit or loss of associates and joint ventures</i></b>	<p>ASAF members expressed two views:</p> <ul style="list-style-type: none"> <li>(a) some supported a single location for the presentation of the share of profit or loss of all associates and all joint ventures.</li> <li>(b) others support the location depending on whether the associate or joint venture is integral to the entity's operations.</li> </ul>	<p>The staff will consider this feedback when developing our proposals further for a future Board meeting.</p>

Topic	Summary of advice	Action
<b><i>Property, Plant and Equipment – Proceeds before Intended Use</i></b>		
	<p>ASAF members were asked for their preliminary views on the proposed amendments to IAS 16 <i>Property, Plant and Equipment</i> in <i>Exposure Draft Property, Plant and Equipment – Proceeds before Intended Use</i> (ED) published in June 2017.</p> <p>A number of ASAF members supported the proposed amendments. The FASB representative highlighted that the proposed amendments would result in requirements similar to those in US GAAP.</p>	<p>This feedback will be included in the Feedback Summary to the Exposure Draft.</p>
<b>Wider Corporate Reporting (WCR)</b>		
<b><i>Growing support for WCR and the Board's role</i></b>	<p>ASAF members generally agreed with the staff conclusion that WCR was growing in prominence and importance.</p> <p>There was some diversity in views as to the next steps that the Board should take.</p>	<p>The advice from the meeting will be taken in consideration in developing the proposals for next steps, if any, on this topic.</p>
<b><i>Revising and updating the MCPS</i></b>	<p>ASAF members expressed mixed views on the possibility of the Board taking on a project to revise and update the MCPS.</p>	

Topic	Summary of advice	Action
<b>Exposure Draft: Improvements to IFRS 8 <i>Operating Segments</i> (Amendments to IFRS 8 and IAS 34)</b>		
<b><i>Emphasis that the chief operating decision maker (CODM) makes operating decisions</i></b>	ASAF members noted that different Board structures existed, depending on jurisdiction and hence there is differing practice in identifying the CODM.	A summary of the discussion with ASAF will be included in the Feedback Summary to the Exposure Draft.
<b><i>Link IFRS 8 segments with the annual reporting package</i></b>	<p>It was recommended that Board members clarify the problem the Board was trying to solve.</p> <p>Many ASAF members said that they could see the merit of this proposal, but they shared a concern that the proposal went beyond the boundaries of financial statements.</p> <p>It was proposed that if CODM were identified at an appropriate level there may be fewer instances of differences between segments identified in the financial statements and segments identified in other parts of the entity’s annual financial statements.</p>	
<b><i>Criteria for aggregating operating segments</i></b>	Most ASAF members agreed with the proposal.	

Topic	Summary of advice	Action
<b>Rate-regulated Activities</b>		
<b><i>The model for accounting for defined rate-regulation</i></b>	<p>Most ASAF members generally supported the direction of the project and the outcome of the model when applied to the simple examples presented in Agenda Paper 8B.</p> <p>There was a concern the term ‘customer base’ had been removed from the descriptions in the model. Some ASAF members suggested that the underlying concept of the customer base is still an important part of the model, especially when looking at the ability to recover regulatory assets.</p> <p>Many ASAF members supported the Board’s tentative decision that the model should employ a ‘supplementary’ approach that will applies the requirements of other IFRS Standards before applying the model.</p>	<p>The advice from the meeting will be considered in developing the Discussion Paper or the Exposure Draft.</p>