

STAFF PAPER

December 2018

Accounting Standards Advisory Forum

Project	Accounting Standards Advisory Forum		
Paper topic	IASB[®] Project Update & Agenda Planning		
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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[®] Standards do not purport to set out acceptable or unacceptable application of IFRS Standards. Technical decisions are made in public and reported in IASB[®] *Update*.

Introduction

1. The aim of this paper is to:
 - (a) discuss the agenda topics for the April 2019 Accounting Standards Advisory Forum (ASAF) meeting;
 - (b) provide ASAF members with a short update on the International Accounting Standards Board's (Board) technical projects; and
 - (c) provide ASAF members with feedback on how the staff and the Board have considered (or will consider) the advice given at the October 2018 ASAF meeting.

Project update and agenda planning

2. There are three appendices to this paper:
 - Appendix A sets out the suggested agenda topics for the April 2019 ASAF meeting.
 - Appendix B is an update of the Board's Work Plan and includes details of advice previously requested from ASAF and when we plan to seek future advice. Further details of the projects are available on the IFRS Foundation website.
 - Appendix C sets out a table summarising the feedback from the October 2018 ASAF meeting and how the staff or the Board have considered (or will consider) this feedback.

Questions to ASAF members

1. Do ASAF members have any comments on the proposed agenda topics for the April 2019 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 ASAF?

ASAF Agenda Topics

Meeting	Agenda topic
October 2018 (Actual)	Financial Instruments with Characteristics of Equity – Introduced by Asian-Oceania Standard-setters Group.
	IFRS 3 <i>Business Combinations</i> reference to the <i>Conceptual Framework</i>
	Extended External Reporting—New Zealand Accounting Standard Board
	Rate-regulated Activities
	Extractive Activities
	Accounting Policies and Accounting Estimates (Amendments to IAS 8)
	Project update – including updates on the Goodwill and Impairment, and Disclosure Initiative—Targeted Standards-level Review of Disclosures projects.
December 2018 (Actual)	Better Communication—Primary Financial Statements
	Management Commentary Practice Statement
	Business Combinations under Common Control
	Pension Benefits that Depend on Asset Returns
	Financial Instruments with Characteristics of Equity
	Goodwill and Impairment
	Project update
April 2019 (Proposed)	IBOR Reform and the Effects on Financial Reporting
	IFRS 17 <i>Insurance Contracts</i>
	Management Commentary Practice Statement
	Costs Considered in Assessing whether a Contract is Onerous (Amendment to IAS 37)
	Disclosure Initiative—Targeted Standards-level Review of Disclosures
	Due Process Handbook Review
	Provisions
	SMEs that are Subsidiaries
	Project update

Project	Project objective	Past ASAF advice	Future ASAF advice
Research Projects			
<p>Business Combinations under Common Control (BCUCC)</p>	<p>The Board is discussing whether it can develop requirements that would improve the comparability and transparency of accounting for business combinations under common control to help investors compare and better understand information that companies provide in financial statements about such transactions.</p> <p>The Board plans to publish a Discussion Paper in H2 of 2019.</p>	<p>July 2018 ASAF members discussed the findings from the Hong Kong Institute of Certified Public Accountants (HKICPA) and Organismo Italiano di Contabilità (OIC) in their research survey with investors on BCUCC.</p> <p>ASAF members’ advice was requested on the approaches developed by staff for transactions within the scope of the project.</p> <p>December 2017 ASAF members’ views were requested on: (a) clarifications of the scope of the project; and (b) factors to consider in selecting an appropriate accounting method for transactions within the scope of the project.</p> <p>April 2016 We asked for ASAF members’ comments on the proposed direction of the project.</p> <p>December 2015 The 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>March 2015 We asked advice on the staff’s preliminary view on which method to apply for a BCUCC.</p>	<p>December 2018 Staff will provide an update on the project and seek ASAF members’ views on topics to be discussed by the Board.</p>

Project	Project objective	Past ASAF advice	Future ASAF advice
		<p>ASAF 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>Disclosure Initiative—Principles of Disclosure</p>	<p>The Board has added separate projects to its agenda to:</p> <p>(a) develop guidance to help improve the way the Board drafts disclosure requirements in IFRS Standards and perform a targeted Standards-level review of disclosure requirements; and</p> <p>(b) develop guidance and examples to help entities apply materiality judgements to accounting policy disclosure.</p> <p>The Board plans to publish a summary of the research findings from the Principles of Disclosure project.</p>	<p>April 2018 ASAF members provided advice on the following topics:</p> <p>(a) location of information—specifically, IFRS information outside the financial statements and non-IFRS information inside the financial statements; and</p> <p>(b) accounting policy disclosures.</p> <p>December 2017 The IASB provided an initial overview of comments on the Discussion Paper and asked for ASAF members’ advice on the project’s next steps.</p> <p>July 2017 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>The Board has completed its deliberations on the feedback to the Discussion Paper. The Board will publish a project summary.</p> <p>We do not expect to ask further advice from ASAF.</p>
<p>Dynamic Risk Management</p>	<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>March 2017 ASAF discussed the research findings from the work undertaken by the European Financial Reporting Advisory Group (EFRAG).</p> <p>April 2016 ASAF received an update on the project and the plans for future deliberations.</p>	<p>Further advice from ASAF will be requested following Board discussions.</p>

Project	Project objective	Past ASAF advice	Future ASAF advice
	<p>The Board plans to have the core model developed by the first half of 2019.</p>	<p>July 2015 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 or through outreach activities.</p>	
<p>Extractive Activities</p>	<p>The Board has started work on its research project on extractive activities. This research project aims to gather evidence to help the Board decide whether to start a project to develop proposals on accounting requirements that would amend or replace IFRS 6.</p> <p>Before deciding the scope and direction of this research project, the Board has asked those national standard-setters who contributed to a Discussion Paper about extractive activities to make the Board aware of any developments since the paper’s 2010 publication.</p>	<p>October 2018 ASAF members were asked to provide:</p> <ul style="list-style-type: none"> (a) significant changes in extractive activities in their jurisdiction since the Board issued the 2010 Discussion Paper <i>Extractive Activities</i> that they think the Board should be aware of as it starts its research; and (b) views on whether users understand the diversity of accounting practice for extractive activities and how they cope with this diversity. 	<p>We will determine when next to ask for ASAF members’ advice after we have completed our initial research.</p>

Project	Project objective	Past ASAF advice	Future ASAF advice
<p>Financial Instruments with Characteristics of Equity</p>	<p>The objective of this project is to improve the information that companies provide in their financial statements about financial instruments they have issued, by:</p> <p>(a) investigating challenges with the classification of financial instruments applying IAS 32 <i>Financial Instruments: Presentation</i>; and</p> <p>(b) considering how to address those challenges through clearer principles for classification and enhanced requirements for presentation and disclosure.</p> <p>The Board published a Discussion Paper in June 2018. The Discussion Paper is open for comment until 7 January 2019.</p>	<p>October 2018 ASAF members shared initial views on the proposals in the Discussion Paper.</p> <p>July 2018 An education session was held for ASAF members on the Discussion Paper <i>Financial Instruments with Characteristics of Equity</i>.</p> <p>March 2017 ASAF members discussed possible examples that illustrate the practical implications of the model that will be included in the forthcoming Discussion Paper.</p> <p>December 2016 We asked ASAF members’ advice on the project outreach and messaging.</p> <p>July 2016 We asked ASAF members’ advice on how to apply the ‘no practical ability to avoid’ concept to classification of liabilities and equity.</p> <p>March 2015 ASAF members discussed examples of financial instruments with characteristics of equity.</p> <p>ASAF members also discussed the feedback on EFRAG’s Discussion Paper <i>Classification of Claims</i>.</p> <p>September 2014 We asked ASAF members’ advice on which of two broad alternatives it should pursue when proceeding with the project.</p>	<p>December 2018 ASAF members are asked to provide an update on the outreach from their jurisdictions on the Discussion Paper.</p>

<p>Goodwill and Impairment</p>	<p>Following feedback from the Post-implementation Review of IFRS 3 <i>Business Combinations</i>, the Board is investigating making improvements to IFRS 3 and IAS 36 <i>Impairment of Assets</i>.</p> <p>The Board has finalised its discussion on the objectives for the next stage of this research in the light of findings from the research performed to date and is now exploring possible improvements to disclosures about acquisitions and possible simplifications to the accounting for goodwill and the impairment test.</p> <p>The Board plans to publish a Discussion Paper, the timing of which is yet to be determined</p>	<p>October 2018 The staff provided a summary of the feedback received from the CMAC and GPF meetings and sought ASAF members advice on the disclosure objectives and requirements</p> <p>July 2018 ASAF members were asked for their views on proposed disclosure improvements and their ideas on how to improve disclosures about business combinations, goodwill and impairment of goodwill.</p> <p>April 2018 ASAF members’ advice was requested on:</p> <ul style="list-style-type: none"> (a) a staff proposal for an approach that would amend the impairment testing of goodwill by considering movements in headroom. Headroom is the excess of the recoverable amount of a cash-generating unit (or group of units) over the carrying amount of that unit (or group of units). (b) the requirement in IFRS 3 <i>Business Combinations</i> to recognise all identifiable intangible assets acquired in a business combination separately from goodwill. <p>September 2017 ASAF members discussed:</p> <ul style="list-style-type: none"> (a) proposals in the EFRAG Discussion Paper <i>Goodwill Impairment Test: Can it be improved?</i>; and (b) staff proposals to improve the effectiveness measures for the impairment test. 	<p>December 2018 At the November 2018 meetings of the Capital Markets Advisory Committee (CMAC) and the Global Preparers Forum (GPF) the staff sought advice on the disclosure objectives and requirements being developed to provide users with more information about a business combination and its subsequent performance.</p> <p>The staff will provide a summary of the feedback received from the CMAC and GPF meetings and ask ASAF members for their advice on the disclosure objectives and requirements.</p> <p>In addition we are seeking ASAF members’ views on amortisation and in particular whether members believe it is feasible to estimate the useful life of goodwill rather than simply using an arbitrary fixed period, and whether the aim of the accounting model should be to reduce the carrying amount of acquired goodwill to zero over a period that is reasonably likely not to exceed its useful life.</p> <p>Finally, we will ask for ASAF members’ views on a suggested disclosure requirement which could assist investors in removing the impact of amortisation if they wish to do so.</p>
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Project	Project objective	Past ASAF advice	Future ASAF advice
Goodwill and Impairment (continued)		<p>July 2017 ASAF members discussed two papers by the Accounting Standards Board of Japan (ASBJ):</p> <ul style="list-style-type: none"> (a) Possible Approaches to Addressing the Too-Little-Too-Late issue; (b) Research Paper No.3: <i>Analyst Views on Financial Information about Goodwill</i>. <p>In addition, ASAF members discussed staff proposals for simplifying and improving the impairment test model.</p> <p>July 2016 ASAF members discussed findings from the research on Goodwill and Impairment undertaken by the ASBJ and European Financial Reporting Advisory Group (EFRAG).</p> <p>December 2015 We asked ASAF members for advice on the Board’s tentative decisions from meetings in October and November 2015.</p>	
IBOR Reform and the Effects on Financial Reporting	The Board is exploring the possible effects on financial reporting of interbank offered rate (IBOR) reform.	New project this period.	<p>April 2019 ASAF members’ advice will be sought after staff have completed the initial research.</p>

Project	Project objective	Past ASAF advice	Future ASAF advice
<p>Pension Benefits that Depend on Asset Returns</p>	<p>This is a narrow-scope research project designed to address only some types of pension benefits paid that depend, wholly or partly, on the return on a specified pool of assets. Applying IAS 19 <i>Employee Benefits</i>, a company:</p> <ul style="list-style-type: none"> • uses assumptions about future returns on the specified assets in estimating the amount of the benefits to be paid to employees; and • applies a discount rate in determining the ‘present value’ of the estimated benefits—their value today. 	<p>New project this period.</p>	<p>December 2018 The staff will provide an overview of the Board’s research project on Pension Benefits that Depend on Asset Returns.</p> <p>At this meeting we will seek ASAF members’ views on the approach that we are considering to address the measurement inconsistency we have identified for these types of benefits.</p>
<p>Discount Rates</p>	<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 in Q4 2018.</p>	<p>July 2015 ASAF discussed the findings of the research work.</p> <p>September 2014 ASAF discussed the proposed scope and 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>

Project	Project objective	Past ASAF advice	Future ASAF advice
Standard-setting and other projects			
Management Commentary	To update IFRS Practice Statement 1 <i>Management Commentary</i> issued in 2010. In undertaking the project, the Board will consider how broader financial reporting could complement and support IFRS financial statements.	<p>December 2017 ASAF received an update on the Board’s deliberations.</p>	<p>December 2018 The staff will provide a short update on the Management Commentary project, including the feedback received at the first meeting of the Management Commentary Consultative Group held on 28 September 2018 and the staff’s proposed approach and the Board’s decision on the objective of management commentary. We will seek ASAF members’ views on the following topics:</p> <ul style="list-style-type: none"> (a) applying materiality – helping preparers identify what to disclose in the management commentary to meet investor needs; and (b) principles for preparing management commentary – how to improve the coherence, balance and comparability of the management commentary.
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 throughout 2018. The Board has yet to decide whether to issue a Discussion Paper or an Exposure Draft.</p>	<p>July 2018 ASAF members provided advice on whether to move this project from the Board’s research agenda to the standard-setting agenda. The Board subsequently added the project to its Standards setting agenda at its September 2018 meeting.</p> <p>April 2018 At the April meeting the staff:</p> <ul style="list-style-type: none"> (a) asked for ASAF members’ advice on possible improvements to the statement(s) of financial performance for financial institutions; (b) provided an update of the Board’s tentative decisions 	<p>December 2018 Staff will provide an overview of the Board’s tentative proposals to be included in the first consultation document on the Primary Financial Statements project. We are seeking ASAF members further comments on the expected effects of the Board’s tentative proposals.</p> <p>We will provide a summary of ASAF feedback and how it has been used by the Board to develop its tentative decisions.</p>

Project	Project objective	Past ASAF advice	Future ASAF advice
		<p>at its March 2017 and September 2017 Board meetings to develop general principles for aggregation and disaggregation as well as some improvements to the requirements in IAS 1 <i>Presentation of Financial Statements</i> for the presentation of an analysis of expenses by function and by nature; and</p> <p>(c) asked for the ASAF members’ advice on some further aspects that we have identified which could improve the level of aggregation and disaggregation of financial information.</p> <p>December 2017 We asked for feedback on the staff proposals to introduce an investing category and comparable subtotals in the statement of financial performance. The views of ASAF members were also requested on better ways to communicate other comprehensive income.</p> <p>September 2017 ASAF members discussed: (a) research by the New Zealand Accounting Standards Board on the views of investors about the usefulness of alternative performance measures; and (b) feedback on the UK Financial Reporting Council’s Discussion Paper <i>Improving the Statement of Cash Flows</i>.</p> <p>July 2017 ASAF members discussed papers on: (a) the presentation of earnings before interest and tax (EBIT); (b) the presentation of a management operating</p>	

Project	Project objective	Past ASAF advice	Future ASAF advice
		<p>performance measure; and (c) the presentation of the share of profit or loss of associates and joint ventures.</p> <p>March 2017 ASAF members discussed the outcome of the initial research and proposed scope of the project.</p> <p>July 2016 We asked ASAF members’ advice on the scope of the project.</p> <p>ASAF also discussed the UK Financial Reporting Council’s Discussion Paper <i>Improving the Statement of Cash Flows</i>.</p> <p>December 2015 ASAF members received a verbal update on the project.</p>	
<p>Rate-regulated Activities</p>	<p>The Board is developing a new accounting model to give users of financial statements better information about a company’s incremental rights and obligations arising from its rate-regulated activities.</p> <p>The Board will continue its discussions before deciding to publish a second Discussion Paper or an Exposure Draft, which it intends to publish in the second half of 2019.</p>	<p>October 2018 We asked advice from ASAF members on identifying a disclosure objective and related disclosure requirements for the model.</p> <p>April 2018 ASAF members were updated on the Board’s tentative decisions on two aspects of the accounting model being developed for defined rate regulation (the model): (a) unit of account and asset/liability definitions; and (b) scope of the model.</p> <p>ASAF members were asked for advice on how best to communicate the rationale for the Board’s tentative decisions.</p> <p>September 2017</p>	<p>We will determine when best to ask for ASAF members’ advice after further Board discussion.</p>

Project	Project objective	Past ASAF advice	Future ASAF advice
		<p>ASAF members discussed illustrative examples, exploring issues relating to the measurement of regulatory assets or regulatory liabilities.</p> <p>July 2017 ASAF members’ advice on the draft model was requested.</p> <p>March 2017 ASAF received an update on the Board’s deliberations.</p> <p>December 2016 We asked ASAF’s advice on the core principles and key features of the model.</p>	
Disclosure Initiative projects			
Disclosure Initiative— Targeted Standards-level Review of Disclosures	<p>The Board is currently:</p> <p>(a) developing guidance for the Board itself to use when developing and drafting disclosure requirements; and</p> <p>(b) testing that guidance by applying it to IAS 19 <i>Employee Benefits</i> and IFRS 13 <i>Fair Value Measurement</i>.</p>	<p>July 2018</p> <p>ASAF members provided advice on:</p> <p>(a) the Board’s process for developing and drafting disclosure requirements; and</p> <p>(b) which IFRS Standard(s) could be the subject of the Board’s targeted Standards-level review of disclosures, including ASAF members’ reasons for selecting these IFRS Standard(s).</p>	<p>April 2019</p> <p>ASAF advice will be requested on the Targeted Standards-level Review of Disclosures will be sought on proposed amendments to the disclosure requirement in IAS 19 and IFRS 13.</p>
Disclosure Initiative— Accounting Policies	To develop guidance and examples to help entities apply materiality judgements to accounting policy disclosure.		We will determine when best to ask for ASAF members’ advice after we have completed our initial research.

Project	Project objective	Past ASAF advice	Future ASAF advice
Post-implementation reviews (PIR)			
IFRS 13 <i>Fair Value Measurement</i>	<p>The Board is examining the effect of IFRS 13 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. The RFI closed for comment on 22 September 2017.</p> <p>The Board plans to issue a Feedback Statement in H2 2018.</p>	<p>December 2017 We provided an overview of the responses to the Request for Information and asked ASAF members’ advice on the project’s next steps.</p> <p>July 2017 We requested ASAF members’ initial views on the Request for Information published May 2017.</p> <p>December 2016 We asked ASAF members’ advice on the scope of the second phase of the PIR of IFRS 13.</p>	<p>The Board has concluded its deliberations on the PIR. It plans to publish a Report and Feedback Statement later in 2018.</p> <p>We do not expect to ask further advice from ASAF.</p>

Project	Objective	Status/ASAF discussions	Next steps
Maintenance projects			
<i>Projects highlighted in blue have been or will be discussed at ASAF meetings.</i>			
Accounting Policies and Estimates (Amendments to IAS 8)	To clarify the distinction between a change in accounting policy and a change in an accounting estimate—the two are accounted for differently.	The Exposure Draft closed for comment on 15 January 2018. April 2018 ASAF members provided advice on the next steps in the project. October 2018 ASAF members provided advice on the proposed course of action to respond to feedback received on the Exposure Draft.	Decide project direction in Q4 2018.
Accounting Policy Changes (Amendments to IAS 8)	To amend IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> 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 costs and benefits of applying the change retrospectively.	The Exposure Draft closed for comment on 27 July 2018. July 2017 ASAF discussed the staff proposals.	The Board will consider the feedback on the Exposure Draft in December 2018.
Availability of a Refund (Amendments to IFRIC 14)	To amend IFRIC 14 to clarify the accounting when other parties have rights to make particular decisions about a company's defined benefit plan.	The Board will continue its discussions at a future meeting.	Issue an IFRS Amendment.
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	To clarify whether companies classify debt as current or non-current in particular situations.	The Board resumed discussion on this project at its September 2018 meeting.	Issue an IFRS Amendment.
Costs Considered in Assessing whether a Contract is Onerous (Amendment to IAS 37)	To clarify the meaning of the term 'unavoidable costs' in the definition of an onerous contract.	At its meeting in July 2018, the Board tentatively decided to propose a narrow-scope amendment to IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> to address this matter.	Issue an Exposure Draft in December 2018.

Project	Objective	Status/ASAF discussions	Next steps
Maintenance projects			
<i>Projects highlighted in blue have been or will be discussed at ASAF meetings.</i>			
Deferred tax related to assets and liabilities arising from a single transaction (Proposed amendments to IAS 12)	To narrow the initial recognition exemption in paragraphs 15 and 24 of IAS 12 <i>Income Tax</i> so that it would not apply to transactions that give rise to both taxable and deductible temporary differences, to the extent the amounts recognised for the temporary differences are the same. For such transactions, the proposed amendment would result in recognising the tax benefits of the transaction in a manner that aligns with how the recovery of the asset and settlement of the liability affect profit or loss.	The Board has decided to propose a narrow-scope amendment to IAS 12.	Issue an Exposure Draft in H1 2019.
Improvements to IFRS 8 Operating Segments (Proposed amendments to IFRS 8 and IAS 34)	To clarify the meaning of ‘chief operating decision maker’ and to improve the disclosure requirements for operating segments.	The Board decided not to amend IFRS 8. December 2017 ASAF members provided advice on the project’s next steps.	Publish a Feedback Statement in December 2018.
Property, Plant and Equipment—Proceeds before Intended Use (Proposed amendments to IAS 16)	To reduce diversity in how companies account for proceeds from selling items produced while testing an item of plant or equipment before it is ready for its intended purpose.	The Board discussed a summary of the feedback on the Exposure Draft at its December 2017 meeting. July 2018 ASAF members provided advice on the next steps for this project taking into consideration the feedback received in comment letters and from additional outreach. July 2017 ASAF members discussed the Exposure Draft proposals.	Issue an IFRS Amendment.
Updating a Reference to the Conceptual Framework (Proposed amendments to IFRS 3)	The Board is considering whether and how to update a reference to the <i>Conceptual Framework</i> in IFRS 3 <i>Business Combinations</i> .	October 2018 The staff will provide feedback on the outreach and discuss next steps with the ASAF members.	Decide project direction in November 2018.

Project	Objective	Status/ASAF discussions	Next steps
Maintenance projects			
<i>Projects highlighted in blue have been or will be discussed at ASAF meetings.</i>			
Next Annual Improvements Cycle			
Fees in the '10 per cent' test for derecognition (Proposed amendments to IFRS 9)	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.	Issue an Exposure Draft. The timing of publication of the proposed amendments depends on the identification of other matters for inclusion in the annual improvements process.
Lease Incentives (Proposed amendments to IFRS 16 Illustrative Examples)	To amend Illustrative Example 13 accompanying IFRS 16 <i>Leases</i> as part of the next annual improvements to IFRS Standards. The proposed amendment would remove from the example the illustration of the reimbursement of leasehold improvements by the lessor.	At its meeting in May 2018, the Board tentatively decided to amend Illustrative Example 3 accompanying IFRS 16 as part of the next annual improvements cycle.	
Subsidiary as a First-time Adopter (Proposed amendments to IFRS 1)	To amend IFRS 1 to require a subsidiary that measures its assets and liabilities at its date of transition to IFRS Standards using the amounts reported by its parent to also measure cumulative translation differences using the amounts reported by its parent.	At its meeting in December 2017, the Board tentatively decided to amend IFRS 1 as part of the next annual improvements cycle.	
Taxation in Fair Value Measurements (Proposed amendments to IAS 41)	To amend IAS 41 to remove the requirement to exclude cash flows from taxation when measuring the fair value of biological assets using a present value technique.	At its meeting in December 2017, the Board tentatively decided to amend IAS 41 as part of the next annual improvements cycle.	

Topic	Summary of ASAF advice	How the advice has been/will be applied
<i>IFRS 3 Business Combinations reference to the Conceptual Framework</i>		
Identification of problems	All ASAF members agreed with the staff conclusion that the only significant problem in practice could be the conflict the Board had already identified for liabilities within the scope of IFRIC 21 <i>Levies</i> and similar liabilities within the scope of IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> .	This advice was reported to the Board at its November 2018 meeting, informing the staff recommendations and Board decisions at that meeting. It was reported in paragraphs 46, 49, 51, 52, 60, 61, 69 and 70 of Agenda Paper 10 Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) .
Views on when and how the Board should update the reference	Some ASAF members noted that members of their groups had expressed few reactions and/or a range of different views on when and how the Board should update the reference. On the question of <i>when</i> the Board should update the IFRS 3 reference: a) Some members suggested that if the Board decides to amend IAS 37—IFRS 3 could be updated at the same time as IAS 37. b) One member urged the Board to update the reference as soon as practicable to avoid confusion about which version of the <i>Conceptual Framework</i> to refer to. On the question of <i>how</i> the Board should update the reference (if doing so before amending IAS 37), there was some support for each of the 3 approaches discussed in paragraphs 41–42 of Agenda Paper 2 of the October 2018 meeting.	

Topic	Summary of ASAF advice	How the advice has been/will be applied
Accounting Policies and Accounting Estimates (Amendments to IAS 8)		
<p>Definition of accounting estimates</p>	<p>The objective of the session was to obtain ASAF members’ views on staff’s planned recommendations on the definitions of accounting estimate and accounting policy included in Agenda Paper 7A.</p> <p>ASAF members advice included:</p> <ul style="list-style-type: none"> (a) The definition helps clarify a key matter by specifying that a change in measurement technique is part of a change in accounting estimate. (b) Limiting the definition to measurement could create an additional category of change that would not be addressed in IAS 8 (for example, estimations involved in recognition decisions). (c) A suggestion the Board define the process of accounting estimation, and then define an accounting estimate as an output of the process of accounting estimation. (d) The Board should consider whether the definition should be limited to ‘monetary’ amounts or whether it should also include ‘non-monetary’ amounts. 	<p>Feedback from ASAF members will be shared with the Board at a future meeting.</p>
<p>Definition of accounting policies</p>	<p>ASAF members advice included:</p> <ul style="list-style-type: none"> (a) The term ‘practice’ was something specific to an entity, and ‘convention’ was a widely accepted ‘practice’ in a given industry. If this understanding is correct, the planned recommendation should not to delete these terms. (b) A suggestion that the Board define the terms in the definition of accounting policies. (c) A view from investors that restatement is generally useful when a change is the result of accounting, rather than a change in the underlying economics. Accordingly, any change that reduces the prevalence of retrospective information is unlikely to be welcomed by users. 	<p>Feedback from ASAF members will be shared with the Board at a future meeting.</p>

Topic	Summary of ASAF advice	How the advice has been/will be applied
	(d) Support for the staff’s planned recommendation of not amending the definition of accounting policies.	
Planned recommendation on inventory cost formulas	Some members said the Board should be careful not to characterise a change in inventory cost formulas as a change in accounting estimate—this is because entities might be able to change cost formulas frequently. There were mixed views among ASAF members on how often entities change inventory cost formulas.	Feedback from ASAF members will be shared with the Board at a future meeting.
Additional illustrative examples	There were mixed views on whether the Board should provide illustrative examples.	Feedback from ASAF members will be shared with the Board at a future meeting.
Finalisation of proposed amendments	<p>ASAF members advice included:</p> <ul style="list-style-type: none"> (a) Support for the proposals overall and agreement to proceed with the amendments, however, some members questioned whether the changes as proposed by staff were substantial enough for the Board to proceed. (b) A recommendation to group all amendments to IAS 8 into one due process document. (c) A suggestion that the Board considers re-exposing the proposed amendments or extending the scope of the project. 	Feedback from ASAF members will be shared with the Board at a future meeting.

Topic	Summary of ASAF advice	How the advice has been/will be applied
Rate-regulated Activities		
	The purpose of this session was to obtain feedback from ASAF members on the staff's initial views on disclosure objectives and requirements for defined rate regulation.	
Disclosure objectives	<p>Members were generally supportive of the staff's initial views on the disclosure objectives and requirements for defined rate regulation. ASAF members suggestions included:</p> <ul style="list-style-type: none"> (a) Providing greater granularity about why and how regulatory timing differences originate (see also bullet (a) in 'Level of aggregation'). (b) Ensuring that the disclosure objectives lead to entities providing contextual information about the rate-regulated activities that lead to regulatory assets and regulatory liabilities. (c) Considering whether disclosures about overall risks and uncertainties should be required because they seem similar to risks and uncertainties required to be disclosed by IFRS 7 <i>Financial Instruments: Disclosures</i>. (d) Focusing the overall disclosure objective on financial performance rather than on financial position because the model focuses on the faithful representation of effects of defined rate regulation on an entity's financial performance. (e) Clarifying how the application of the recognition and measurement requirements of the model results in entities carrying out estimates and reflecting uncertainty in the amounts recognised. As a result, fulfilling the disclosure objectives should result in entities providing information about any residual risks rather than general risks about the regulatory environment. 	We have considered the advice from ASAF members in Agenda Paper 9D Disclosure objectives and requirements discussed with the Board in its November 2018 meeting.
Level of aggregation	<p>Some ASAF members expressed concerns about the staff's initial views on the level of aggregation for disclosures, including:</p> <ul style="list-style-type: none"> (a) The proposed requirements may not result in disclosures that reflect the nature and type of timing differences on a sufficiently disaggregated basis, citing similar 	

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	<p>requirements in other IFRS Standards, such as IAS 12 <i>Income Taxes</i>, IAS 16 <i>Property, Plant and Equipment</i> and IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i>.</p> <p>(b) Allowing entities too much discretion when assessing the level of aggregation for disclosures may result in insufficient disaggregation and so the model should include guidance to help entities carry out an aggregation assessment.</p> <p>(c) The requirements should not link the disaggregation of the regulatory income/(expense) line item to the requirements of IFRS 8 <i>Operating Segments</i> because some entities may not consider their rate-regulated activities as a separate reportable segment.</p>	
<p>Disclosure requirements</p>	<p>Some ASAF members said that the illustrative disclosures were useful in reflecting the outcome intended by the disclosure objectives, however:</p> <p>(a) A member suggested the staff consider the following matters when developing further the disclosure requirements:</p> <p>(i) regulatory reviews and filings are important for users when substantiating entities' claims and assessing expected future cash flows.</p> <p>(ii) the disclosures resulting from the requirements in IFRS 14 <i>Regulatory Deferral Accounts</i> are generally useful, but preparers have difficulty in explaining the net movements in regulatory items, particularly when those items are recognised in other comprehensive income. Consequently, the understandability of the disclosures for users can be impaired.</p> <p>(iii) some users look for entities to provide a reconciliation between the regulatory capital base (ie the amount treated by the regulatory agreement as capital investment) and the asset balances accounted for in accordance with IFRS Standards.</p> <p>(b) A member suggested all disclosure requirements for defined rate regulation should be explicitly contained within the future Standard rather than relying on the</p>	

Topic	Summary of ASAF advice	How the advice has been/will be applied
	disclosure requirements or overarching principles in IAS 1 <i>Presentation of Financial Statements</i> or the <i>Conceptual Framework</i> .	
Extractive Activities		
	<p>ASAF considered Agenda Paper 5 which provided a reminder of the content of and feedback to the 2010 Discussion Paper <i>Extractive Activities</i>, and outlined the initial work being performed on the project.</p> <p>A member commented that one significant change since 2010 was the adoption of IFRS in their jurisdiction</p> <p>Other ASAF members noted the importance of the Board establishing the problem definition at the outset.</p>	<p>The feedback, along with the feedback requested by the Board from the four National Standard Setters who were involved in the 2010 Discussion Paper, will be provided to the Board during a 2019 Board meeting to help the Board scope the project.</p>