

London

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Agenda ref AP 4

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## Activities of the Board and the Foundation: update

1. This paper provides the IFRS Advisory Council with a summary of the activities of the International Accounting Standards Board ('Board') and the IFRS Foundation (Foundation).

## Overview of technical activities since the October 2017 meeting

### Wider corporate reporting

2. We have discussed broader financial reporting with you in 2016 and 2017. In November 2017, following discussions, the Board added a project to its work plan to revise and update the IFRS Practice Statement 1 *Management Commentary* (MCPS), issued in 2010.
3. In November the Board considered the further research undertaken by staff into Wider Corporate Reporting developments and the role of the MCPS.
4. The Board considered that whilst there had been calls by some commentators to extend the scope of its involvement in this area, the Foundation's interest in Wider Corporate Reporting should remain focused on the provision of *other financial information* (as described in the preface to IFRS Standards) to meet the needs of existing and potential investors, lenders and other creditors.
5. The Board considered staff's research into the influence of the MCPS, and in particular the role it had played in supporting the development of related frameworks by national and global bodies. Taking account of the significant developments in Wider Corporate Reporting since the publication of the original MCPS, the Board concluded that a project to revise and update the Practice Statement was appropriate.
6. In updating the MCPS we will consider:
  - a. developments from other narrative reporting initiatives—for example, the value of focusing on business-critical resources and long-term value creation; and
  - b. gaps in current narrative reporting guidance, such as challenges in reporting forward-looking information, inconsistent reporting on business models and short-term reporting on strategies.

## Conceptual Framework

7. We are finalising our work on the Conceptual Framework project and we expect to issue the revised *Conceptual Framework* in March. The revised *Conceptual Framework* will provide a comprehensive, coherent foundation for our future standard-setting activities and will also assist preparers, regulators, auditors and other interested parties in applying and interpreting IFRS Standards.
8. It will address many long-standing fundamental questions related to financial reporting in accordance with IFRS Standards. In particular, it will clarify the role of information about stewardship in achieving the objective of financial reporting. It will also explain the roles of prudence and measurement uncertainty in providing useful information.
9. It will also fill in some gaps and further clarify specific areas:
  - a. Unlike the existing Framework, it will contain a comprehensive and coherent chapter on measurement. It will re-establish a mixed measurement model that is already used in IFRS Standards and will discuss the selection of a measurement basis.
  - b. It will clarify the definition of assets and liabilities. In particular, it will explain that a liability only exists if it arises from past events and the entity has no practical ability to avoid a transfer of economic resources.
  - c. It will set out clearer recognition concepts and will consistently emphasise that income and expenses are as important in financial reporting as assets and liabilities.
  - d. It will discuss presentation of income and expenses in profit or loss and other comprehensive income. Specifically, it will acknowledge the role of the statement of profit or loss as the primary source of information about financial reporting for the period and will provide guidance on how the Board may use other comprehensive income.
10. We are confident that the revised *Conceptual Framework* will provide an essential up-to-date tool for the Board and other interested parties and will result in better IFRS Standards and their more consistent application across the globe. We expect to publish a revised *Conceptual Framework* and to update references to the *Conceptual Framework* in IFRS Standards in March.

## IFRS 17 Insurance Contracts

11. In 2021, insurers will apply the new accounting requirements in IFRS 17 *Insurance Contracts*. Since the Board issued IFRS 17 in May 2017, we have been providing support to insurers and others to help them understand these new requirements.
12. We recognise that implementing IFRS 17 will be challenging, so we have made available many tools to help. These include:

- a. releasing eleven webcasts since issuing the Standard, on various aspects of IFRS 17. (We have had over 20,000 views across the website and YouTube channel. The webcast that introduced IFRS 17 has been viewed nearly 6,000 times so far.);
- b. presenting at conferences and other events organised by the IFRS Foundation or third parties. Since May 2017, Board members and staff have attended more than 150 meetings around the world to present IFRS 17;
- c. establishing a Transition Resource Group (TRG), which brings companies, auditors and regulators together in a public forum to discuss questions about implementing IFRS 17. As at the end of January 2018, we have received 27 submissions from auditors and preparers. The TRG will consider most of those submissions at its first substantive meeting on 6 February 2018. The remaining submissions will be considered at a future meeting; and
- d. continuing our programme of education activities with investors and analysts. The aim of these educational activities is to help investors and analysts understand the results of applying IFRS 17.

13. At the February Advisory Council meeting, we will be able to provide an oral update on the February TRG.

## **Better Communication**

14. We continue to progress our work on Better Communication in Financial Reporting:

- a. The comment period on the Principles of Disclosure Discussion Paper closed in October and an initial high-level summary of the comments was presented to the Board at its December meeting. Overall there is support for us doing more to address the disclosure problem.
- b. We have continued to make progress on the Primary Financial Statements project, with the Board proposing to introduce a number of new subtotals and line items in the statement(s) of performance.
- c. The Taxonomy team has published a 'Preparers' Guide' which is designed to provide preparers of financial statements with guidance on using the IFRS Taxonomy. It is expected that this guide will contribute to more consistent tagging of financial statements.

## **Implementation activities**

15. The Board and the IFRS Interpretations Committee (the Committee) have continued to support the implementation of recently issued IFRS Standards. Activities in the period included:

- a. the Committee responding to three questions relating to the new revenue recognition and financial instruments Standards. The Committee's published tentative agenda decisions on these questions include information that explains how an entity applies IFRS Standards to the particular question;
- b. publishing one webcast on IFRS 9 *Financial Instruments* and three webcasts on IFRS 17 *Insurance Contracts*;
- c. meetings with investors on IFRS 16 and IFRS 17;
- d. organising various implementation events across the world, including implementation sessions at a conference in Toronto;

16. The Committee has met on two occasions in the period; a face-to-face meeting in November and by video conference in January.

## **Overview of other activities since the last meeting**

### ***Office relocation***

17. Our lease on 30 Cannon Street runs out later this year. Finding new premises has been a major project for the Foundation. On 2 January 2018 we signed the lease on our new building:

The Columbus Building  
7 Westferry Circus  
London E14 4HB

18. We expect to move to our new premises before the next Advisory Council meeting in September.

### ***Appointment of Executive Director***

19. Lee White has been appointed Executive Director of the Foundation, in charge of the organisation's day-to-day operations. Lee White brings with him a wealth of leadership experience, a varied practical background and a wide contact network.

20. He is expected to start his new post in April.

### ***Global adoption of IFRS Standards***

21. We continue to monitor the adoption of IFRS Standards across the globe. We have recently increased the number of profiles posted on the website from 150 to 166. 15 of those new jurisdiction profiles are members of the Organisation pour l'Harmonisation en Afrique du Droit des Affaires (OHADA) [Organisation for the Harmonisation of Business Law in Africa].

22. The other new addition is Papua New Guinea. In 2017, the government of Papua New Guinea re-activated the Accounting Standards Board of Papua New Guinea (ASBPNG).

### **The Board's work plan at January 2018**

23. The tables on the following pages include more detailed technical appendices as follows:

- a. Standard-setting, research and related projects;

- b. IFRS Interpretations Committee activities and implementation projects;
- c. IFRS Taxonomy projects;
- d. Work plan as at 31 January 2018; and
- e. Research pipeline.

## Appendix A—Standard-setting, research and related projects

### Section 1- Summary of research projects

#### Business Combinations under Common Control

|   |   |
|---|---|
| <b>Project objective</b>                        | The Board is discussing whether it can develop requirements that would improve the comparability and transparency of accounting for business combinations under common control and help investors to better compare and understand information about such transactions that companies provide in financial statements.  |
| <b>Current status</b>                           | The Board has recommenced its deliberations and at its meeting in December 2017 discussed the scope of the project and methods of accounting.   |
| <b>Use of consultative groups (this period)</b> | This was the main topic for the Emerging Economies Group (EEG) meeting in December 2017. EEG members:<br>(a) received an update on the project, including an overview of research and outreach undertaken;<br>(b) provided input on the scope of the project; and<br>(c) discussed the factors to consider in selecting an appropriate accounting method for transactions within the scope of the project.<br>Accounting Standards Advisory Forum (ASAF) December 2017: discussed items (b) and (c) from the EEG meeting. |
| <b>Next due process steps</b>                   | Publish a DP in H2 2018.  |

#### Discount rates

|                          |   |
|--------------------------|---|
| <b>Project objective</b> | The Board examined why IFRS Standards require different discount rates. The Board identified some discount rate issues that may be investigated while doing other projects. |
| <b>Current status</b>    | The Board has concluded no separate standard-setting activity is required.  |
| <b>Next steps</b>        | Publish a research summary in Q2 2018.  |

#### Dynamic Risk Management

|                                  |   |
|----------------------------------|---|
| <b>Project objective</b>         | To improve information provided regarding risk management and how risk management activities affect the financial institution's current and future economic resources.<br>To faithfully represent, in the financial statements, the impact of risk management activities of a financial institution in the area of dynamic risk management. |
| <b>Last due process document</b> | DP published in April 2014 with a comment period of 180 days.   |
| <b>Current status</b>            | The Board discussed the proposed project plan to develop an accounting model for dynamic risk management at its meeting in December 2017.   |
| <b>Next due process step</b>     | Develop a core model in H1 2019.  |

#### Financial Instruments with Characteristics of Equity

|                              |   |
|------------------------------|---|
| <b>Project objective</b>     | To investigate improvements to the classification requirements for financial instruments that have characteristics of both liabilities and equity, as well as exploring improvements to presentation and disclosure requirements. |
| <b>Current status</b>        | The Board has completed its technical discussions, commented on a first-ballot draft and a second pre-ballot draft of the DP is being drafted.  |
| <b>Next due process step</b> | Publish a DP in Q2 2018.  |

#### Goodwill and impairment

|                          |  |
|--------------------------|--|
| <b>Project objective</b> | To assess whether, and if so how, to address issues raised in the post-implementation review of IFRS 3 <i>Business Combinations</i> . Issues include identifying and measuring intangible assets |
|--------------------------|--|

|                              |  |
|------------------------------|--|
|                              | acquired in a business combination; subsequent accounting for goodwill; and impairment testing of goodwill and of other non-current, non-financial assets. |
| <b>Current status</b>        | The Board continued its discussions at its December 2017 and January 2018 meetings.  |
| <b>Next due process step</b> | Publish a DP or ED in H2 2018.   |

## Primary Financial Statements

|                              |   |
|------------------------------|---|
| <b>Project objective</b>     | To examine targeted improvements to the structure and content of the primary financial statements, with a focus on the statement(s) of financial performance. |
| <b>Current status</b>        | On-going Board discussions in November and December 2017 and January 2018.  |
| <b>Next due process step</b> | Publish either a DP or an ED in H1 2019.  |

## Principles of Disclosure

|                                  |   |
|----------------------------------|---|
| <b>Project objective</b>         | To explore possible principles of disclosure that could help the Board develop better disclosure requirements and help preparers communicate information more effectively with users of financial statements. |
| <b>Last due process document</b> | The six-month comment period closed in October 2017.  |
| <b>Current status</b>            | The Board discussed a high level preliminary summary of comment letter feedback at its meeting in December 2017.  |
| <b>Next due process step</b>     | The Board will discuss a full comment letter and outreach feedback summary on the DP in February 2018.  |

## Share-based payment

|                          |  |
|--------------------------|--|
| <b>Project objective</b> | The Board examined why IFRS 2 <i>Share-based Payments</i> generated many application questions for the IFRS Interpretations Committee. |
| <b>Current status</b>    | The Board has concluded no standard-setting activity is required.  |
| <b>Next steps</b>        | Publish a research summary in Q 2 2018.  |

# Section 2 – Summary of standard-setting and related projects

## Conceptual Framework

|                                  |   |
|----------------------------------|---|
| <b>Project objective</b>         | To provide the Board with a more complete, clear and updated set of concepts to use when it develops or revises IFRS Standards.   |
| <b>Last due process document</b> | ED published in May 2015.   |
| <b>Comment letter summary</b>    | The Board considered the comment letter summary on the ED at its meeting in March 2016.   |
| <b>Current status</b>            | The Board completed its deliberations at its March 2017 meeting and discussed sweep issues arising on a pre-ballot draft of the revised <i>Conceptual Framework</i> in September and October 2017. A ballot draft of the revised <i>Conceptual Framework</i> was distributed to the Board in December 2017. |
| <b>Next due process step</b>     | It is expected that the revised <i>Conceptual Framework</i> will be published in March 2018 together with the accompanying <i>References to the Conceptual Framework</i> .  |

## Disclosure Initiative: Definition of Material

|                               |  |
|-------------------------------|--|
| <b>Project objective</b>      | To clarify the definition of what information is material in preparing financial statements. |
| <b>Current status</b>         | ED published in September 2017; comment period ends 15 January 2018.                         |
| <b>Next due process steps</b> | Comment letter summary, April 2018.  |

## Management Commentary

|                               |   |
|-------------------------------|---|
| <b>Project objective</b>      | The Board has decided to revise and update the Management Commentary Practice Statement issued in 2010. |
| <b>Current status</b>         | The Board will commence deliberations in Q2 2018.   |
| <b>Next due process steps</b> | Publish an ED.  |

## Rate-regulated Activities

|                                  |  |
|----------------------------------|--|
| <b>Project objective</b>         | To consider whether (or how) IFRS Standards should be amended to reflect the effects of rate regulation.               |
| <b>Last due process document</b> | DP published September 2014.   |
| <b>Comment letter summary</b>    | The Board considered the comment letter summary on the DP at its meeting in February 2015.                             |
| <b>Current status</b>            | The Board is continuing its discussions on developing a model to account for the effects of rate-regulated activities. |
| <b>Next due process step</b>     | Publish either a DP or an ED in H1 2019.   |

## Section 3—Summary of other projects and activities

### *Post-implementation review of IFRS 13 Fair Value Measurement*

|                               |  |
|-------------------------------|--|
| <b>Project Objective</b>      | To examine the effects of IFRS 13 <i>Fair Value Measurement</i> on financial reporting.  |
| <b>Current status</b>         | The Board published a Request for Information (RFI). The comment letter period closed on 22 September 2017. The Board considered feedback on the RFI and a review of academic research at its January 2018 meeting. The Board was not asked to make any decisions. |
| <b>Next due process steps</b> | Feedback statement   |



## **Appendix B—IFRS Interpretations Committee activities and implementation projects**

### **IFRS Interpretations Committee activities**

B1. The Committee met in November 2017 and January 2018. It published the following tentative and final agenda decisions. Those agenda decisions include information which explains how an entity applies IFRS Standards to the particular question submitted:

| <b>IFRS Interpretations Committee’s tentative agenda decisions</b>  |
|---|
| Presentation of interest revenue for particular financial instruments (IFRS 9 <i>Financial Instruments</i> and IAS 1 <i>Presentation of Financial Statements</i> ). |
| Revenue recognition in a real estate contract that includes the transfer of land (IFRS 15 <i>Revenue from Contracts with Customers</i> ).                           |
| Right to payment for performance completed to date (IFRS 15 <i>Revenue from Contracts with Customers</i> ).   |
|   |
| <b>IFRS Interpretations Committee’s agenda decisions</b>  |
| Acquisition of a group of assets (IFRS 3 <i>Business Combinations</i> ).  |
|   |

B2. The Committee also decided the following:

- a. to add a project to its standard-setting agenda to clarify the meaning of the term ‘unavoidable costs’ relating to the definition of an onerous contract in IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and
- b. to recommend to the Board that it propose an amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards* to provide a subsidiary that becomes a first-time adopter of IFRS Standards later than its parent with additional practical relief for cumulative translation differences.

## Implementation projects

| Project  | Objective   | Status   |
|--|---|--|
| <b>Accounting Policies and Accounting Estimates</b><br>(Proposed amendments to IAS 8)          | To clarify the existing distinction between a change in an accounting policy and a change in an accounting estimate.  | ED published in September 2017. The ED has a comment letter deadline of 15 January 2018. Comment letter summary will be taken to Board March 2018.   |
| <b>Accounting Policy Changes</b><br>(Proposed amendments to 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's discussions are complete. ED expected March 2018.  |
| <b>Availability of a Refund</b><br>(Amendments to IFRIC 14)                                    | To clarify the accounting when other parties have rights to make particular decisions about a company's defined benefit plan.   | Following comments on the effects of the proposals, the Board will perform further work to assess whether it can establish a more principles-based approach in IFRIC 14 for an entity to assess the availability of a refund of a surplus. |
| <b>Classification of Liabilities</b><br>(Amendments to IAS 1)                                  | To clarify whether companies classify debt as current or non-current if they have a right to renew the debt.  | The Board will continue its discussion after completing the revision of the <i>Conceptual Framework for Financial Reporting</i> . An Amendment is expected in H2 2018.   |
| <b>Definition of a Business</b><br>(Amendments to IFRS 3)                                      | To clarify 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.  | The Board has concluded its redeliberations of the proposed amendments. IFRS amendment expected Q2 2018.   |
| <b>Fees in the '10 percent' test for derecognition</b><br>(Amendments to IFRS 9)               | To clarify which fees and costs a company includes in a quantitative '10 percent' test for assessing whether to derecognise a financial liability.  |  |
| <b>Improvements to IFRS 8 Operating Segments</b><br>(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 discussed the comment letter summary in November 2017. ASAF's advice was requested in December 2017. Project direction will be discussed March 2018.   |
| <b>Plan Amendment, Curtailment or Settlement</b><br>(Amendments to IAS 19)                     | To clarify the accounting when a plan amendment, curtailment or settlement occurs.  | The Board has decided to finalise the amendments separately from the amendments to IFRIC 14 on <i>Availability of a Refund</i> . The amendment was issued 7 Feb 2018.  |
| <b>Property, Plant and Equipment: Proceeds before Intended Use</b>                             | To reduce the diversity in how companies account for the proceeds from selling items produced while testing an item of  | The Board discussed a summary of the feedback on the Exposure Draft in December 2017.  |

|  |  |  |
|--|--|--|
| (Amendments to IAS 16)   | plant or equipment before it is used for its intended purpose.   |  |
| <b>Subsidiary as a first-time adopter</b><br><br>(Proposed amendments to 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. |  |

## **Appendix C—IFRS Taxonomy projects**

- C1. Updates to the IFRS Taxonomy are released when the Board issues new or amended IFRS standards that affect IFRS Taxonomy content. Updates may also be released after an analysis of disclosures commonly reported in practice or to reflect improvements to the content or technology of the IFRS Taxonomy.
- C2. Work is currently in progress on IFRS Taxonomy Updates for the Annual Improvement Cycle 2015-2017, Common Practice (IFRS 13 Fair Value Measurement) and Prepayment Features with Negative Compensation (Amendment to IFRS 9 Financial Instruments). The IFRS Taxonomy Update—IFRS 17 Insurance Contracts was published in January 2018.
- C3. Each year, the IFRS Foundation publishes a compilation of Taxonomy Updates released in the previous year (the annual IFRS Taxonomy). The annual IFRS Taxonomy 2018 is expected to be released in March 2018.
- C4. In December 2017, the IFRS Foundation released a new guide *Using the IFRS Taxonomy – A preparer’s guide*. This guide helps preparers understand the IFRS Taxonomy content. Its aim is to support the quality and consistency of data tagging applied to IFRS disclosures. Members of the IFRS Taxonomy Consultative Group and members of the IFRS Taxonomy Review Panel reviewed a draft of the guide.

## Appendix D—Work plan as at 31 January 2018

| Description  | Next due process step                     | 31 January 2018        |
|--|---|------------------------|
| <b>Research projects</b>   |   |                        |
| Business Combinations under Common Control   | Discussion Paper                          | H2 2018                |
| Discount Rates   | Research summary                          | Q2 2018                |
| Dynamic Risk Management  | Core model                                | H1 2019                |
| Financial Instruments with Characteristics of Equity   | Discussion Paper                          | Q2 2018                |
| Goodwill and Impairment  | Discussion Paper or Exposure Draft        | H2 2018                |
| Primary Financial Statements   | Discussion Paper or Exposure Draft        | H1 2019                |
| Principles of Disclosure   | Report Discussion Paper feedback to Board | February 2018          |
| Share-based Payment  | Research summary                          | Q2 2018                |
| <b>Standard-setting and related projects</b>   |   |                        |
| Conceptual Framework   | Conceptual Framework                      | March 2018             |
| Disclosure Initiative: Definition of Material (Amendments to IAS 1 and IAS 8)                | Report Exposure Draft feedback to Board   | April 2018             |
| Management Commentary  | Exposure Draft                            | No Date                |
| Rate-regulated Activities  | Discussion Paper or Exposure Draft        | H1 2019                |
| <b>Narrow-scope amendments</b>   |   |                        |
| Accounting Policies and Accounting Estimates (Amendments to IAS 8)                           | Report Exposure Draft feedback to Board   | March 2018             |
| Accounting policy changes (Amendments to IAS 8)  | Exposure Draft                            | March 2018             |
| Availability of a Refund (Amendments to IFRIC 14)  | IFRS Amendment                            | No date                |
| Classification of Liabilities (Amendments to IAS 1)  | IFRS Amendment                            | H2 2018                |
| Definition of a Business (Amendments to IFRS 3)  | IFRS Amendment                            | Q2 2018                |
| Fees in 10% test for derecognition (Amendments to IFRS 9)                                    | Exposure Draft                            | No date                |
| Annual Improvements (next cycle)   |   |                        |
| Improvements to IFRS 8 Operating Segments (Amendments to IFRS 8 and IAS 34)                  | Decide Project direction                  | March 2018             |
| Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)                             | IFRS Amendment                            | (Issued February 2018) |
| Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)           | IFRS Amendment                            | No date                |
| Subsidiary as a First-time Adopter   | Exposure Draft                            | No date                |
| <b>Post-implementation review</b>  |   |                        |
| IFRS 13 <i>Fair Value Measurement</i>  | RFI Feedback                              | No date                |
| <b>Other</b>   |   |                        |
| IFRS Taxonomy Update – 2017 Annual Improvements  | Proposed update Feedback                  | February 2018          |
| IFRS Taxonomy Update—Common Practice (IFRS 13)   | Proposed Update                           | Q2 2018                |
| IFRS Taxonomy Update – Prepayment Features with Negative Compensation (Amendments to IFRS 9) | Proposed Update Feedback                  | February 2018          |

## Appendix E—Research pipeline

The research pipeline will be discussed by the Board at its February 2018 meeting when the future sequencing and timing of the projects will be considered. Agenda Paper 8 *Research Programme Update* for the February Board meeting is available on our website:

<http://www.ifrs.org/news-and-events/calendar/2018/february/international-accounting-standards-board/>

| <i>Project</i>   | <i>Objective</i>   |
|--|--|
| Equity Method  | To assess whether practice problems that arise using the equity method (for investments in associates and joint ventures) could be addressed by amending the equity method or whether a more fundamental review is needed.                               |
| Extractive Activities  | To assess whether the Board should develop a proposal to introduce accounting requirements for exploration, evaluation, development and production of minerals, and oil and gas.   |
| Pollutant Pricing Mechanisms   | To assess whether the Board should develop a proposal to address any diversity that may exist in accounting for pollutant pricing mechanisms (including emissions trading schemes).  |
| Provisions   | To assess whether the Board should develop a proposal to amend any aspects of IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> in the light of forthcoming changes to the <i>Conceptual Framework</i> .                            |
| Variable and Contingent Consideration  | To assess whether the Board should develop a proposal on how to account for variable and contingent payments for asset purchases outside a business combination.   |
| High Inflation—the scope of IAS 29 <i>Financial Reporting in Hyperinflationary Economies</i> | To assess whether it would be feasible to extend the scope of IAS 29 <i>Financial Reporting in Hyperinflationary Economies</i> to cover economies subject to only high inflation, without amending other requirements of IAS 29.                         |
| Pensions—benefits that depend on asset returns   | To assess whether it would be feasible to place a cap on asset returns used in estimates of asset-dependent benefits, without considering other aspects of IAS 19. To avoid an existing anomaly, those returns would not be more than the discount rate. |
| SMEs that are subsidiaries—disclosures   | To assess whether it would be feasible to permit SMEs that are subsidiaries to use the recognition and measurement requirements in IFRS Standards with the disclosure requirements in the IFRS for SMEs® Standard.                                       |

### **Forthcoming PIRs**

IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosure of Interests in Other Entities*

IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*