

AGENDA PAPER

IFRS® Foundation Trustees meeting – Due Process Oversight Committee

London

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Agenda ref 1B

CONTACT

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Technical Activities: Key Issues and Update

Purpose of the report

1. This report provides the Due Process Oversight Committee (DPOC) with an update on the activities of the International Accounting Standards Board (Board) and the IFRS Interpretations Committee (Interpretations Committee) for the four-month period January to April 2018.
2. The report sets out how the Board and the Interpretations Committee have fulfilled their due process obligations, as set out in the *Due Process Handbook*. The report aims to assist the DPOC in fulfilling its role of overseeing the due process activities of the Board and the Interpretations Committee, as set out in paragraphs 2.1–2.15 of the *Due Process Handbook*. In particular, paragraph 2.8(a) of the *Due Process Handbook* explains:

The DPOC is responsible for ... reviewing regularly, and in a timely manner, together with the IASB and the IFRS Foundation Staff, the due process activities of the standard-setting activities of the IASB.

3. In this and subsequent reports on technical activities of the Board and the Interpretations Committee, the DPOC will be asked to confirm its view that due process has been followed in the specific instances identified in the report and with specific supporting material identified. There are no such instances in this report or elsewhere at this DPOC meeting.
4. The report is structured as follows:
 - (a) Due process procedures in the period (paragraphs 6–18). This part of the report informs the DPOC about:
 - (i) Standard-setting due process documents issued;
 - (ii) Interpretations Committee agenda decisions published;
 - (iii) IFRS Taxonomy due process documents issued; and

- (iv) other due process decisions in the period.
 - (b) Other matters for the attention of the DPOC (paragraphs 19–37). This part of the report highlights specific matters relating to the Board’s technical projects and implementation activities as background information for the DPOC.
 - (c) Agenda paper compliance report (paragraphs 38–39).
 - (d) Update on the Board’s work plan as at 1 May 2018 (paragraphs 40–42).
5. The accompanying appendices are as follows:

Appendix A—Overview of projects on the work plan. The purpose of this appendix is to summarise the status of each of the projects on the Board’s work plan as background information for the DPOC, organised as follows:

- Section 1—Research and Standard-setting projects
- Section 2—Maintenance projects
- Section 3—Current IFRS Taxonomy projects

Appendix B—Work Plan as at 1 May 2018.

Due process procedures in the period

Standard-setting due process documents issued

6. The following table lists the standard-setting due process documents issued in the period together with the date:
- (a) the Board paper summarising the due process steps taken in developing that due process document was:
 - (i) approved by the Board to confirm that all necessary due process steps to date on the project had been completed; and
 - (ii) reported to the DPOC (via the pre-board meeting email);
 - (b) the DPOC undertook, where applicable and at the appropriate time, its life-cycle review of the due process for the project to confirm that all necessary due process steps have been followed.

Due process document	Issued	Due Process Stage	Due Process Steps	
			Approved by Board ¹	Reported to DPOC
Conceptual Framework for Financial Reporting <i>(See paragraphs 19–23)</i>	March 2018	Final document	February 2017	15 February 2017 Life-cycle review discussed by DPOC: May 2017 (Agenda ref 1D)
Amendments to References to the Conceptual Framework in IFRS Standards <i>(See paragraphs 19–23)</i>	March 2018	Final Amendment	March 2017	16 March 2017 Life-cycle review discussed by DPOC: May 2017 (Agenda ref 1D)
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)	February 2018	Final Amendment	September 2017	18 September 2017
Accounting Policy Changes (Proposed amendments to IAS 8)	March 2018	Exposure Draft	October 2017	19 October 2017

¹ Paragraphs 6.22–6.24 and 6.6 of the *Due Process Handbook* set out the due process requirements for the Board when issuing a new or amended Standard and an Exposure Draft, respectively. Before issuing the new or amended Standard or Exposure Draft, the staff presents a summary of the due process steps to the Board and asks the Board to confirm that it is satisfied that all necessary steps have been completed. The DPOC receives a copy of this summary in advance of the Board discussion.

Interpretations Committee Agenda Decisions published

7. The following table lists the agenda decisions published by the Interpretations Committee in the period. An agenda decision explains why the Committee does not recommend standard-setting in response to a submission received from a stakeholder. Agenda decisions often include information to help entities apply IFRS Standards.² For each agenda decision, the table highlights when:
- the draft agenda decision was published for comment for 60 days; and
 - the feedback on the draft agenda decision was discussed by the Committee before finalisation.

Topic	Final Agenda Decision published	Draft Agenda Decision published	Feedback discussed by the Committee
Contributing property, plant and equipment to an associate (IAS 28 <i>Investments in Associates and Joint Ventures</i>)	January 2018	September 2017	January 2018
Presentation of interest revenue for particular financial instruments (IFRS 9 <i>Financial Instruments</i> and IAS 1 <i>Presentation of Financial Statements</i>)	March 2018	November 2017	March 2018
Revenue recognition in a real estate contract (IFRS 15 <i>Revenue from Contracts with Customers</i>)	March 2018	September 2017	March 2018
Revenue recognition in a real estate contract that includes the transfer of land (IFRS 15 <i>Revenue from Contracts with Customers</i>)	March 2018	November 2017	March 2018
Right to payment for performance completed to date (IFRS 15 <i>Revenue from Contracts with Customers</i>)	March 2018	November 2017	March 2018

² Paragraph 5.22 of the *Due Process Handbook* sets out the due process requirements relating to agenda decisions (described as rejection notices in the *Due Process Handbook*).

IFRS Taxonomy due process documents issued

8. The following table lists the taxonomy due process documents issued in the period and, where applicable, the date that publication was approved by the Board.
9. The Board is required to approve Taxonomy Updates reflecting new or amended IFRS Standards; it is not required to approve new common practice or other content changes not referred to explicitly by the IFRS Standards. Changes for new common practice or other content changes not referred to explicitly by the IFRS Standards are required to be reviewed by the IFRS Taxonomy Review Panel. The Panel consists of at least three, but not more than five Board members and a (senior) Technical Director.

Due process document	Issued	Due Process Stage	Approved/Reviewed ³
Updates subject to Board approval			
IFRS Taxonomy Update— <i>IFRS 17 Insurance Contracts</i>	January 2018	IFRS Taxonomy Update	Board: November 2017
IFRS Taxonomy Update— <i>Prepayment Features with Negative Compensation</i>	March 2018	IFRS Taxonomy Update	Board: January 2018
Updates not requiring Board approval			
IFRS Taxonomy Update— <i>Annual Improvements</i>	March 2018	IFRS Taxonomy Update	IFRS Taxonomy Review Panel: February 2018

³ The due process procedures for the IFRS Taxonomy are set out in the Annex to the *Due Process Handbook*. Paragraph A16 sets out the due process requirements for Taxonomy Updates relating to IFRS Standards. Paragraphs A30–A35 and A45 set out the requirements for new common practice and other content changes not referred to explicitly by IFRS Standards.

Other due process decisions in the period

Decision to ballot due process documents

10. In the period the Board was not asked to vote to proceed to balloting on any of its projects on the work plan. Accordingly, the Board did not review the due process steps on any projects on the work plan in the period.

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

11. The Board published a Request for Information as the second stage of the post-implementation review (PIR) of IFRS 13 *Fair Value Measurement* in May 2017. At its January 2018 meeting the Board discussed the feedback on the Request for Information.
12. At its March 2018 meeting the Board discussed how to proceed with the findings from the PIR, including the feedback on the Request for Information. The Board decided to:
 - (a) feed the PIR findings regarding the usefulness of disclosures into the work on Better Communications in Financial Reporting;
 - (b) continue liaising with the valuation profession, monitor new developments in practice and promote knowledge development and sharing; and
 - (c) conduct no other follow-up activities as a result of findings from the PIR.
13. The Board's overall assessment is that IFRS 13 is working as intended and has improved financial reporting.
14. At its next meeting, the DPOC will be provided with a draft of the PIR report and asked to confirm it is satisfied that the Board has completed the PIR satisfactorily.

Improvements to IFRS 8 *Operating Segments*—Proposed amendments to IFRS 8 and IAS 34

15. The Board issued the Exposure Draft IFRS 8 *Operating Segments*—Proposed amendments to IFRS 8 and IAS 34 in March 2017 in response to the findings from the post-implementation review of IFRS 8. The Board discussed a summary of comments on the Exposure Draft at its meeting in November 2017.
16. In the period between November 2017 and March 2018 the staff undertook further analysis of the comments received on the Exposure Draft and undertook further outreach with regulators.
17. The Board discussed that analysis and outreach at its meeting in March 2018 and decided not to proceed with the proposals in the Exposure Draft. Although the Board supported finalising some of proposals in the Exposure Draft, it decided that, when considered in aggregate, the proposals would not result in sufficient improvements in

information to investors to justify the costs that stakeholders would incur if the Board were to amend IFRS 8 and IAS 34.

18. The staff plan to publish a summary of the feedback and the Board's response in the second half of 2018. Subject to this, the project is complete.

Other matters for the attention of the DPOC

Technical projects

Conceptual Framework for Financial Reporting

19. As highlighted in the table below paragraph 6, the Board issued its revised *Conceptual Framework for Financial Reporting (Conceptual Framework)* in March as scheduled, replacing the previous version of the *Conceptual Framework* originally issued in 1989 and partly revised in 2010. Simultaneously the Board issued *Amendments to References to the Conceptual Framework in IFRS Standards*. This document updates some references to previous versions of the *Conceptual Framework* in IFRS Standards. The revised *Conceptual Framework* is effective immediately for the Board and the Interpretations Committee.
20. The *Conceptual Framework* sets out the fundamental concepts for financial reporting that guide the Board in developing IFRS Standards. It helps to ensure that IFRS Standards are conceptually consistent and that similar transactions are treated the same way, so as to provide useful information for investors, lenders and other creditors. The *Conceptual Framework* also assists preparers in developing accounting policies when no IFRS Standard applies to a particular transaction, and more broadly, helps stakeholders to understand and interpret the Standards.
21. The DPOC reviewed the due process on the *Conceptual Framework* project at its May 2017 meeting and confirmed that all necessary due process steps had been followed. During the period from May 2017 to March 2018, the Board undertook its review and balloting processes in accordance with paragraphs 3.22–3.33 of the *Due Process Handbook*. In particular, the Board reviewed:
 - (a) a draft of the *Conceptual Framework* circulated in May 2017. A sweep issue arising from this review was discussed at the June 2017 IASB meeting.
 - (b) a second draft circulated in July 2017. This draft was also circulated to external reviewers—members of the Accounting Standards Advisory Forum (the consultative group on the project), other members of the International Forum of Accounting Standard Setters, the Interpretations Committee, the International Technical Partners group, European Securities and Markets Authority and the International Public Sector Accounting Standards Board. Sweep issues arising from this review were discussed at the September and October 2017 IASB meetings.
 - (c) an updated section of the *Conceptual Framework* on the reporting entity circulated in November 2017.
 - (d) the ballot draft circulated in December 2017.
22. To support the issuance of the *Conceptual Framework* the Board published:
 - (a) a Basis for Conclusions summarising the Board’s considerations in developing the *Conceptual Framework*;

- (b) a Project Summary providing a high-level introduction to the revised *Conceptual Framework*;
 - (c) a Feedback Statement summarising the Board's response to the comments it received to its consultation on the proposals that led to the revised *Conceptual Framework*;
 - (d) webcasts describing the content of the revised *Conceptual Framework*; and
 - (e) a video featuring Hans Hoogervorst introducing the revised *Conceptual Framework*.
23. The Board will focus the 2018 World Standard-setters Conference on educating national standard-setters on the revised *Conceptual Framework*. It will also be a topic at the IFRS Foundation Conference due to be held in Frankfurt in July 2018.

Disclosure Initiative—Principles of Disclosure

24. The Board issued the Discussion Paper: *Disclosure Initiative—Principles of Disclosure* in March 2017, with a six-month comment period. The Board received 108 comment letters. During the comment period, Board and staff members engaged in various outreach activities to gather feedback on the Discussion Paper, including meeting approximately 190 investors and analysts.
25. The Board considered the feedback on the Discussion Paper at its meeting in February 2018, including a separate summary of the feedback from the meetings with investors and analysts. Overall whilst many respondents supported the Board in its efforts to find solutions to the disclosure problem, they had concerns about the lack of focus in the Discussion Paper, and recommended that the Board identify and focus on the issues it expects to make the most difference in helping to address the disclosure problem.
26. In light of this feedback, the Board decided that in the first instance, it will undertake a Targeted Standards-level Review of Disclosures project. In this project the Board will develop guidance to use when developing and drafting disclosure requirements in Standards, and will then select one or two Standard(s) on which to test that guidance. This is expected to result in improvements to:
- (a) the way the Board develops and drafts disclosure requirements in future; and
 - (b) the disclosure requirements in the selected Standard(s).
27. Although this drafting guidance is intended to assist the Board, the exposure draft of the proposed improvements to the selected Standard(s) will explain the guidance and, hence, give stakeholders the opportunity to comment on it.
28. The Board will undertake further analysis on some of the other topics in the Discussion Paper (including technology, location of information and accounting policies disclosure) before deciding how to proceed with them.

Goodwill and Impairment

29. At its April 2018 meeting, the Board considered the next steps in its Goodwill and Impairment project. Prior to making any decisions the Board requested further work be undertaken by the staff and directed the staff:
- (a) to assess whether to develop a document, such as a Request for Information, to seek targeted feedback about the benefits and costs of the ‘headroom approach’ that the Board has been exploring to address concerns that impairments of goodwill are not recognised in a timely fashion. This approach uses the unrecognised headroom of a cash-generating unit (or group of units) as an additional input in the impairment testing of goodwill.
 - (b) to identify the extent of work that would be required to enable the Board to develop and issue an Exposure Draft of other improvements including some or all of the following matters:
 - (i) simplifying the impairment test in IAS 36 Impairment of Assets; and
 - (ii) adding disclosures about acquisitions and the corresponding goodwill.

Research programme review

30. At its February 2018 meeting, the Board received an update on the progress of projects within its research programme, including projects on its research pipeline. Projects in the pipeline are not on the work plan. However, before the next Agenda Consultation (due in 2021), the Board expects to complete a significant proportion of the research needed for each project, though not necessarily to complete all of them.
31. At the February meeting the Board identified specific areas of work for projects on the research pipeline it would like staff to work on in the coming months.

Implementation activities

Interpretations Committee

32. The Interpretations Committee met in January and March 2018 and discussed 11 topics. As a result of its meetings, the Committee published three tentative agenda decisions and the five (final) agenda decisions listed below paragraph 7. Of note is that four of these agenda decisions provide timely explanatory material supporting the consistent application of two of the new Standards: IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers*.
33. At the close of the March 2018 meeting, there were no submissions from stakeholders that had not yet been considered by the Interpretations Committee.
34. Agenda decisions are considered further in agenda paper 1C for this meeting.

Transition Resources Group for IFRS 17 Insurance Contracts

35. The Transition Resources Group (TRG) for IFRS 17 is one of the ways in which the Board is supporting implementation of IFRS 17. The TRG provides a public forum for

stakeholders to follow the discussion of implementation questions raised as entities ready themselves for the effective date of IFRS 17. The first meeting of the TRG was held on 6 February, and the second on 2 May 2018.

36. 46 submissions were considered by the TRG during its first two meetings. 21 of these submissions were discussed as a TRG agenda topic, 15 were answered applying only the words in IFRS 17, and the remainder did not meet the submissions criteria, or are to be addressed outside the TRG process by the Board.
37. The staff reported the discussion of the first TRG meeting to the Board in February 2018, and plan to report the discussion of the second TRG meeting to the Board in May 2018. Two further TRG meetings are scheduled in 2018.

Agenda paper compliance report

38. Paragraph 3.12 of the *Due Process Handbook* states:

The technical staff is required to report to the IASB and the DPOC at least annually on the extent to which material discussed by the IASB or the Interpretations Committee has not been made available to observers and the main reasons for doing so. In addition, the technical staff is required to include in that report the number of meeting papers that have been posted later than 5 working days in advance and the main reasons for doing so.

39. In the period January to April 2018, all agenda papers discussed by the IASB and the Interpretations Committee were made available on our public website unaltered. One Board paper was posted after the posting deadline. This was to allow the staff to report to the Board on a timely basis in February, rather than March, about the Insurance Transition Resource Group meeting held on 6 February 2018. The paper was posted five working days before the board meeting.

Update on Board's work plan as at 1 May 2018

40. Appendix B sets out the Board's work plan as at 1 May 2018. The work plan is annotated to provide details of any changes in project timings in the period January–April 2018.
41. The staff notes that the *Conceptual Framework* was issued as scheduled in our last two reports to the DPOC. Our next major consultation document, the Discussion Paper *Financial Instruments with the Characteristics of Equity*, remains on schedule to be issued in June 2018.
42. Since our last report to the DPOC, adjustments have been made to the expected dates for the next milestone for the following research and standard-setting projects: Business Combinations under Common Control, Goodwill and Impairment, and Primary Financial Statements. These adjustments are explained in Appendix B.

Appendix A—Overview of projects on Work Plan (background information)

Section 1 Research and Standard-setting projects

Business Combinations under Common Control

Current status	Active research project—last Board discussion April 2018	
Project Objective	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.	
Last due process document	None	
Comment letter summary presented to the Board	Not applicable	
Last discussion with consultative groups (this due process stage)	ASAF ⁴	December 2017
	CMAC ⁵	None
	GPF ⁶	March 2017
	Other	Emerging Economies Group (EEG)—December 2017
Next due process steps	Publish a Discussion Paper in H1 2019	

Disclosure Initiative—Principles of Disclosure (see paragraphs 24—25 of this report)

Current status	Active research project—last Board discussion March 2018	
Project Objective	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.	
Last due process document	Discussion Paper issued 30 March 2017	
Comment letter summary presented to the Board	February 2018.	
Last discussion with consultative groups (this due process stage)	ASAF	April 2018
	CMAC	March 2018
	GPF	March 2018
	Other	<ul style="list-style-type: none"> • IFRS Taxonomy Consultative Group: April 2018 • IFRS Advisory Council: April 2017
Next due process steps	The next due process step for the targeted Standards-level review of disclosures is likely to be an Exposure Draft. The next due process step for the other topics in the Discussion Paper is yet to be decided.	

⁴ Accounting Standards Advisory Forum

⁵ Capital Markets Advisory Committee

⁶ Global Preparers Forum

Appendix A—Overview of projects on Work Plan (background information)

Discount Rates

Current status		Project completed—last Board discussion March 2017
Project Objective		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.
Last due process document		None
Comment letter summary presented to the Board		Not applicable
Last discussion with consultative groups (this due process stage)	ASAF	July 2015
	CMAC	None
	GPF	March 2017
	Other	None
Next due process steps		Publish a Research Summary in June 2018

Dynamic Risk Management

Current status		Active research project—last Board discussion April 2018
Project Objective		To improve information provided regarding risk management and how risk management activities affect the financial institution’s current and future economic resources. To faithfully represent, in the financial statements, the impact of risk management activities of a financial institution in the area of dynamic risk management.
Last due process document		Discussion Paper issued April 2014
Comment letter summary presented to the Board		March 2015
Last discussion with consultative groups (this due process stage)	ASAF	March 2017
	CMAC	None
	GPF	March 2017
	Other	None
Next due process steps		Core Model H1 2019 The Board is developing a core model which will be discussed with stakeholders before developing a second discussion paper.

Appendix A—Overview of projects on Work Plan (background information)

Financial Instruments with Characteristics of Equity

Current status		Active research project—last Board discussion January 2018 (sweep issues)
Project Objective		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.
Last due process document		None in the current iteration of the project. A Discussion Paper was issued as part of the predecessor project in February 2008.
Comment letter summary presented to the Board		Predecessor Project: October 2008
Last discussion with consultative groups (this due process stage)	ASAF	March 2017
	CMAC	June 2016 (Joint CMAC/GPF meeting)
	GPF	June 2016 (Joint CMAC/GPF meeting)
	Other	None
Next due process steps		Publish a Discussion Paper in June 2018

Goodwill and Impairment (see paragraph 29 of this report)

Current status		Active research project—last Board discussion April 2018
Project Objective		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; impairment testing of goodwill and of other non-current, non-financial assets; and disclosure.
Last due process document		None
Comment letter summary presented to the Board		Not applicable
Last discussion with consultative groups (this due process stage)	ASAF	April 2018
	CMAC	March 2018
	GPF	March 2018
	Other	None
Next due process steps		Publish a Discussion Paper or Exposure Draft in H2 2018

Appendix A—Overview of projects on Work Plan (background information)

Primary Financial Statements

Current status		Active research project—last Board discussion April 2018
Project Objective		To examine targeted improvements to the structure and content of the primary financial statements, with a focus on the statement(s) of financial performance.
Last due process document		None
Comment letter summary presented to the Board		Not applicable
Last discussion with consultative groups (this due process stage)	ASAF	April 2018
	CMAC	March 2018
	GPF	March 2018
	Other	<ul style="list-style-type: none"> IFRS Taxonomy Consultative Group: April 2018 IFRS Advisory Council: November 2016
Next due process steps		Publish a Discussion Paper or Exposure Draft in H1 2019

Share-based Payment

Current status		Completed—last Board discussion May 2016
Project Objective		The Board examined why IFRS 2 <i>Share-based Payments</i> generated many application questions for the Interpretations Committee.
Last due process document		None
Comment letter summary presented to the Board		Not applicable
Last discussion with consultative groups	ASAF	April 2016
	CMAC	None
	GPF	March 2016
	Other	IFRS Advisory Council: November 2016
Next due process steps		Publish a Research Summary in June 2018

Appendix A—Overview of projects on Work Plan (background information)

Management Commentary

Current status		Active project—last Board discussion March 2018
Project Objective		To revise and update the Practice Statement 1 <i>Management Commentary</i> issued in 2010.
Last due process document		None
Comment letter summary presented to the Board		Not applicable
Last discussion with consultative groups (this due process stage)	ASAF	December 2017
	CMAC	None
	GPF	None
	Other	IFRS Advisory Council: April 2017
Next due process steps		Publish an Exposure Draft

Rate-regulated Activities

Current status		Active project—last Board discussion March 2018
Project Objective		To consider whether (or how) IFRS Standards should be amended to reflect the effects of rate regulation.
Last due process document		Discussion Paper issued 17 September 2014
Comment letter summary presented to the Board		March 2015
Last discussion with consultative groups (this due process stage)	ASAF	April 2018
	CMAC	March 2018
	GPF	March 2016
	Other	Consultative Group for Rate Regulation: November 2017
Next due process steps		Publish a second Discussion Paper or an Exposure Draft in H1 2019

Appendix A—Overview of projects on Work Plan (background information)

Post Implementation Review of IFRS 13 Fair Value Measurement (see paragraphs 11–14 of this report)

Current status		Completed, subject to drafting Feedback Statement—last Board discussion March 2018.
Project Objective		To examine the effects of IFRS 13 <i>Fair Value Measurement on financial reporting</i> .
Last due process document		Request for information issued May 2017
Comment letter summary presented to the Board		January 2018
Last discussion with consultative groups (this due process stage)	ASAF	December 2017
	CMAC	October 2017
	GPF	November 2016
	Other	None
Next due process steps		Publish a Feedback Statement in H2 2018

Appendix A—Overview of projects on Work Plan (background information)

Section 2—Maintenance projects

Project	Objective	Project Status	Next steps
Accounting Policies and Accounting Estimates (Proposed amendments to IAS 8)	To clarify the existing distinction between a change in accounting policy and a change in accounting estimate.	Exposure Draft published in September 2017, closed for comment January 2018. The Board considered the comment letter summary in March 2018. The advice of ASAF was requested in April 2018.	Decide Project Direction
Accounting Policy Changes (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 cost of applying the change retrospectively.	An Exposure Draft was published 26 March 2018 and is open for comment until 27 July 2018.	Consider Exposure Draft Feedback
Availability of a Refund (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.	Issue an IFRS Amendment
Classification of Liabilities (Amendments to IAS 1)	To clarify whether companies classify debt as current or non-current if they have a right to renew the debt.	Work on this project has recommenced now the revised <i>Conceptual Framework</i> has been issued.	Issue an IFRS amendment

Appendix A—Overview of projects on Work Plan (background information)

Project	Objective	Project Status	Next steps
Definition of a Business (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. In October 2017 the Board confirmed the required due process steps have been completed.	Issue an IFRS amendment
Disclosure Initiative— Definition of Material	To clarify the definition of what information is material in preparing financial statements.	The staff reported a summary of the feedback in the comment letters to the Board in April 2018. The staff expect to bring an full analysis and recommendations for discussion at the June 2018 Board meeting.	Decide Project Direction
Disclosure Initiative—Targeted Standards-level Review of Disclosures	To help stakeholders improve the usefulness of disclosures for the primary users of financial statements. The objective is not to change the volume of disclosure requirements, although this may be a consequence.	As highlighted in paragraphs 24–28, the Board is currently: (a) developing guidance for the Board itself to use when developing and drafting disclosure requirements; and (b) selecting one or two IFRS Standards on which to test that guidance.	Decide Project Direction
Fees in the ‘10 per cent’ test for derecognition (Proposed amendments to IFRS 9)	To clarify which fees and costs a company includes in a quantitative ‘10 per cent’ test for assessing whether to derecognise a financial liability.	The timing of publication of the proposed amendments depends on the identification of other matters for inclusion in the next Annual Improvements process.	Issue an Exposure Draft
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.	At its meeting in March 2018, the Board decided not to proceed with its proposal (see paragraphs 15–18 of this report).	Publish Feedback Statement

Appendix A—Overview of projects on Work Plan (background information)

Project	Objective	Project Status	Next steps
Property, Plant and Equipment: Proceeds before Intended Use (Proposed amendments to IAS 16)	To reduce the diversity in how companies account for the proceeds from selling items produced while testing an item of plant or equipment before it is ready for its intended use.	The Board discussed a summary of the feedback on the Exposure Draft in December 2017.	The Interpretations Committee will deliberate the proposed amendments at its June 2018 meeting, taking the feedback into consideration
Subsidiary as a first-time adopter (Proposed amendments to IFRS 1)	To require a subsidiary that measures 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.	The timing of publication of the proposed amendments depends on the identification of other matters for inclusion in the next Annual Improvements process.	Issue an Exposure Draft
Taxation in fair value measurements (Proposed amendments to IAS 41)	To remove the requirement for entities to exclude cash flows for taxation when measuring the fair value of biological assets using a present value technique.	The timing of publication of the proposed amendments depends on the identification of other matters for inclusion in the next Annual Improvements process.	Issue an Exposure Draft

Appendix A— Overview of projects on Work Plan (background information)

Section 3—Current IFRS Taxonomy projects

There is one current IFRS Taxonomy project, which is a common practice update and is therefore not subject to Board or DPOC approval and is presented for information purposes only.

Project	Objective	Project status	Next steps
IFRS Taxonomy Update—Common Practice (IFRS 13)	Improve the IFRS Taxonomy content by reflecting commonly reported practices for the disclosure requirements of IFRS 13 <i>Fair Value Measurement</i> .	First discussion at the April 2018 meeting of the IFRS Taxonomy Consultative Group (ITCG).	Proposed IFRS Taxonomy Update expected to be published in June 2018.

Appendix B—Work Plan as at 1 May 2018

Description	Next milestone	Original forecast for next milestone	Expected date for next milestone		Explanation of changes in expected dates
			as at 5 January 2018	as at 1 May 2018	
Research Projects					
Business Combinations under Common Control	Discussion Paper	H1 2018	H2 2018	H1 2019	Reforecast and detailed project plan set.
Disclosure Initiative—Principles of Disclosure	Discuss remaining topics	June 2018	Date related to previous due process step	July 2018	Timetable for June 2018 Board meeting amended to allow the Financial Instruments with Characteristics of Equity Discussion paper to achieve its timetable.
Discount Rates	Research summary	Q3 2017	Q2 2018	June 2018	No change this period. (Previous change due to lack of staff availability.)
Dynamic Risk Management	Core model	H2 2018	2019	H1 2019	No change this period. (Previous change due to the Board decision to undertake outreach on the core model before publication of a Discussion Paper.)
Financial Instruments with Characteristics of Equity	Discussion Paper	Q4 2017	Q2 2018	June 2018	No change this period. (Previous change due to drafting the discussion paper taking longer than planned.)

Appendix B—Work Plan as at 1 May 2018

Description	Next milestone	Original forecast for next milestone	Expected date for next milestone		Explanation of changes in expected dates
			as at 5 January 2018	as at 1 May 2018	
Goodwill and Impairment	Discussion Paper or Exposure Draft	May 2018	Q2 2018	H2 2018	The Board has requested further research before deciding the project direction.
Primary Financial Statements	Discussion Paper or Exposure Draft	H1 2018	Q2 2018	H1 2019	The Board has taken longer to discuss and conclude on technical issues than expected. Changes in project staffing have also created delays.
Share-based Payment	Research summary	Q3 2017	H1 2018	June 2018	No change this period. (Previous change due to lack of staff availability.)

Appendix B—Work Plan as at 1 May 2018

Description	Next milestone	Original forecast for next milestone	Expected date for next milestone		Explanation of changes in expected dates
			as at 5 January 2018	as at 1 May 2018	
Standard-setting and related projects					
Rate-regulated Activities	Discussion Paper or Exposure Draft	H1 2018	2019	H1 2019	No change this period. (Previously we rescheduled the project to allow application of the revised <i>Conceptual Framework</i> and reflect feedback from the consultative group.)
Management Commentary	Exposure Draft				New Project. Dates will be set when the project plan is finalised.
Post Implementation Review					
PIR of IFRS 13 <i>Fair Value Measurement</i>	Feedback statement	H2 2018	Date related to previous due process step	H2 2018	No change this period.

Appendix B—Work Plan as at 1 May 2018

Description	Next milestone	Expected date for next milestone		Explanation of changes in expected dates
		as at 5 January 2018	as at 1 May 2018	
Maintenance Projects				
Accounting Policies and Accounting Estimates (Amendments to IAS 8)	Decide Project direction	March 2018	No date set	Changed due to feedback on the Exposure Draft and staff turnover.
Accounting Policy Changes (Amendments to IAS 8)	Exposure Draft feedback	Date related to previous due process step	H2 2018	Exposure Draft issued in March 2018.
Availability of a Refund (Amendments to IFRIC 14)	IFRS Amendment	Q2 2018	No date set	Changed due to feedback to the Exposure Draft. Board to discuss next steps in July 2018.
Classification of Liabilities (Amendments to IAS 1)	IFRS Amendment	H2 2018	H2 2018	No change this period.
Definition of a Business (Amendments to IFRS 3)	IFRS Amendment	Q2 2018	June 2018	No change this period.
Disclosure Initiative: Definition of Material (Amendments to IAS 1 and IAS 8)	Decide project direction	March 2018	June 2018	Changed due to feedback to the Exposure Draft.
Disclosure Initiative- Targeted Standards-level review of disclosure	Decide project direction	New project	June 2018	New Project.
Improvements to IFRS 8 Operating Segments (Amendments to IFRS 8 and IAS 34)	Feedback Statement	Date related to previous due process step	H2 2018	New milestone.
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	IFRS Amendment	No date set	No date set	Timing is dependent on obtaining further feedback from respondents.

Appendix B—Work Plan as at 1 May 2018

Description	Next milestone	Expected date for next milestone		Explanation of changes in expected dates
		as at 5 January 2018	as at 1 May 2018	
Annual Improvements (next cycle) <ul style="list-style-type: none"> - IFRS 9 ('Fees in the 10 per cent' test for derecognition) - IFRS 1 (Subsidiary as a First-time Adopter) - IAS 41 (Taxation in fair value measurements) 	Proposed update	No date set.	No date set	The timing of publication of the proposed amendments depends on the identification of other matters for inclusion in the annual improvements process.