STAFF PAPER

6 March 2018

Prepared for the Global Preparers Forum Meeting

Project	**IASB® and Interpretations Committee**
Paper topic	Update on technical activities

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Introduction

1. This report provides the Global Preparers Forum (GPF) with an update on the activities of the International Accounting Standards Board® (Board) for the period November 2017 to 16 February 2018. An update on the activities up to the date of this GPF meeting will be provided orally during the meeting. This agenda paper is for information only.

Structure of this paper

2. This paper provides a summary of the technical projects, organised as follows:
   - (a) A list of the due process documents published in the period (paragraphs 3 and 4).
   - (b) A review of the Board's activities in the period:
     - (i) Section 1—the Board's recent discussions (paragraphs 4-18); and
     - (ii) Section 2—IFRS Implementation activities (paragraphs 19-22).

(c) A summary of all projects on the Board's work plan, is set out as follows:

(i) Appendix A—Standard-setting, research and related projects;

(ii) Appendix B—Maintenance projects;

(iii) Appendix C—November 2017 IFRIC Update;

(iv) Appendix D—January 2018 IFRIC Update;

(v) Appendix E—Taxonomy Activities; and

(vi) Appendix F— Work plan as at (end of) January 2018.

Due Process Documents this period

3. In the period under review the Board issued:

(a) Annual Improvements to IFRS Standards 2015-2017 Cycle (December 2017); and

(b) Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) (February 2018).

4. Concerning the IFRS Taxonomy the Board and the IFRS Foundation published:

(a) the Proposed Taxonomy Update on IFRS Taxonomy 2017 Annual Improvements (November 2017); and

(b) the IFRS Taxonomy Update on IFRS 17 *Insurance Contracts* (January 2018).

Section 1—Board's recent discussions

Management Commentary Practice Statement

5. At its November 2017 meeting the Board added to its standard-setting agenda a project to revise and update the IFRS Practice Statement *Management Commentary* (Practice Statement), issued in 2010.

6. In updating the Practice Statement the Board will consider:

    (a) developments in other narrative reporting initiatives—for example, the benefits 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.

7. The Board aims to maintain the principles-based approach already adopted in the existing Practice Statement but improve management reporting by providing improved guidance.

Primary Financial Statements

8. The Board discussed the Primary Financial Statements project at its November 2017, December 2017 and January 2018 meetings.

9. At its November 2017 meeting the Board discussed the presentation of an income/expenses from investments category, a finance/income category and additional subtotals following these categories in the statement(s) of financial performance. The Board tentatively decided:

    (a) to require presentation of both categories in the statement(s) of financial performance;

    (b) to define income/expense from investments using a principle-based approach and provide examples of items typically in this category; and

    (c) to identify five line items that constitute finance income/expense category.

10. At its December 2017 meeting the Board tentatively decided to require entities to identify a management performance measure either as a subtotal in statement(s) of financial performance presented in accordance with IAS 1 *Presentation of Financial Statements*, or in a separate reconciliation that reconciles that measure with a measure that is defined in IFRS Standards.

11. At the November 2017 meeting, the Board also considered how to present the share of profit or loss of associate and joint venture entities accounted for using the equity method. The Board did not make a decision about a preferred presentation. In December 2017, the Board sought the advice of the Accounting Standards Advisory Forum (ASAF) on this topic. ASAF members advised the Board to discuss alternative approaches to the presentation of the share of profit or loss of associate and joint venture entities in a Discussion Paper.

12. The Board also discussed better ways to communicate other comprehensive income and some improvements to eliminate presentation options in IAS 7 *Statement of Cash Flows* in December 2017.

13. At its January 2018 meeting the Board discussed introducing management performance measures in the financial statements and presenting the share of the profit or loss of 'integral' associates and joint ventures in the statement(s) of financial performance. The Board tentatively decided that:
    (a) all entities should specify their key performance measure(s) in the financial statements;
    (b) if any of these measures are not specified or defined in IFRS Standards, an entity should identify such measures as management performance measures; and
    (c) the key performance measures identified in the financial statements should include, as a minimum, the key performance measures communicated in the annual report.

Goodwill and Impairment

14. The Board has continued to discuss improvements to the impairment test for assets, including goodwill. The Board tentatively decided:

(a) to focus on improving the application of IAS 36 *Impairment of Assets* by using the unrecognised headroom (the excess of the recoverable amount over the carrying amount) of a cash-generating unit (or a group of units) as an additional input in the impairment testing of goodwill; and

(b) not to consider reintroducing amortisation of goodwill.

15. In January 2018 the Board discussed whether it could simplify the value in use calculation without making the impairment test in IAS 36 less robust. The Board tentatively decided to consider removing:

(a) the requirement for an entity to exclude from the value in use calculation cash flows resulting from a future restructuring or a future enhancement; and

(b) the explicit requirement to use pre-tax inputs to calculate the value in use and to disclose the pre-tax discount rates used. Instead an entity would be required:

(i) to use internally consistent assumptions about cash flows and discount rates; and

(ii) to disclose the discount rates actually used.

Business Combinations under Common Control

16. At its December 2017 meeting the Board clarified the scope of the Business Combinations under Common Control (BCUCC) project. The Board also discussed methods of accounting for transactions in the project's scope.

17. The Board sought the advice of the Emerging Economies Group (EEG) and the ASAF on this project during December 2017.

Dynamic Risk Management

18. In November 2017, the Board discussed two accounting models that could better reflect dynamic risk management in financial reporting. The Board has tentatively decided to develop an accounting model based on cash flow hedge mechanics.

Section 2—Implementation Activities

IFRS Interpretations Committee

19. The IFRS Interpretations Committee (Committee) met on 20 November 2017 and 16 January 2018. It considered a number of matters and published three tentative agenda decisions relating to the new Standards: IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers.* It also published two agenda decisions, one relating to IFRS 3 *Business Combinations* and one relating to IAS 28 *Investments in Associates and Joint Ventures*. Appendices C and D to this paper reproduce the IFRIC Updates from those meetings.

Supporting implementation of Standards

20. The Transition Resource Group for IFRS 17 *Insurance Contracts* (TRG) held a conference call on 13 November 2017. The members discussed the operating procedures for the TRG. The most recent meeting of the TRG was held on 6 February 2018.
21. We have continued investor education sessions, with staff and Board members holding meetings with members of our Investors in Financial Reporting programme (IIFR), other buy side firms, sell side firms and credit ratings agencies.
22. The Board has also published three further educational webcasts on IFRS 17 *Insurance Contracts.*

Appendix A—Standard-setting, research and related projects

Section 1- Summary of research projects

Business Combinations under Common Control

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.
Current status	The Board has recommenced its deliberations and at its meeting in December 2017 discussed the scope of the project and methods of accounting.
Use of consultative groups (this period)	This was the main topic for the EEG meeting in December 2017. EEG members: (a) received an update on the project, including an overview of research and outreach undertaken; (b) provided input on the scope of the project; and (c) discussed the factors to consider in selecting an appropriate accounting method for transactions within the scope of the project. ASAF December 2017: discussed items (b) and (c) from the EEG meeting.
GPF discussions	GPF March 2017: the staff provided an overview of the results of the research and outreach activities performed, discussed and sought initial reactions on the staff's preliminary views on

	reporting Business Combinations under Common Control (BCUCC).
Next due process steps	Publish a Discussion Paper (DP) in H2 2018.

Discount rates

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.
Current status	The Board has concluded no separate standard-setting activity is required.
GPF discussions	GPF March 2017: project update.
Next steps	Publish a research summary in Q2 2018.

Dynamic Risk Management

Project objective	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 their impact on the company's economic resources.
Last due process document	DP published in April 2014 with a comment period of 180 days.
Current status	Based on feedback from the previous DP the Board is revising its proposals. At its December 2017 meeting the Board discussed the

	proposed project plan to develop an accounting model for dynamic risk management.
GPF discussions	GPF March 2014: discussion on the DP.
Next due process step	The staff intend to publish a discussion paper subsequent to obtaining feedback on the core model. The staff anticipate receiving feedback during H1 2019 on the core model.

Financial Instruments with Characteristics of Equity

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.
Current status	The Board met in January 2018 to discuss an issue raised on a draft of the forthcoming DP. The Board tentatively decided to raise questions regarding this issue in the forthcoming DP before proposing any particular accounting requirements.
GPF discussions	GPF/CMAC June 2016: on how the classification of financial instruments with characteristics of both liabilities and equity would affect assessments of a company's financial position and performance.
Next due process step	Publish a DP in Q2 2018.

Goodwill and Impairment

Project objective	To assess whether, and if so how, to address issues raised in the post-implementation review of IFRS 3 *Business Combinations.*

	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.
Current status	The Board continued its discussions at its December 2017 and January 2018 meetings.
GPF discussions	GPF/CMAC June 2017: detailed discussion on indicator-based impairment test. This GPF meeting: discussion on simplifying identification of intangible assets in a business combination and improving effectiveness of impairment testing of goodwill.
Next due process step	Publish a DP or Exposure Draft (ED) in H2 2018.

Primary Financial Statements

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.
Current status	On-going Board discussions in November 2017, December 2017 and January 2018.
Use of consultative groups (this period)	ASAF December 2017: discussed the papers presented to the Board in November and December 2017.

GPF Discussions	GPF/CMAC June 2017: views sought on introducing additional subtotals. This GPF meeting: further details on introducing management performance measures and presentation of the share of profit of associates and joint ventures accounted for using the equity method.
Next due process step	Publish either a DP or an ED in H1 2019.

Principles of Disclosure

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	The six-month comment period closed in October 2017.
Current status	The Board discussed a high level preliminary summary of comment letter feedback at its meeting in December 2017.
Use of consultative groups (this period)	ASAF December 2017: the staff shared a high level preliminary summary of the comment letter feedback with ASAF members and asked for their advice on possible next steps for the project.
GPF Discussions	GPF/CMAC June 2017: consulted on specific aspects of the DP. This GPF meeting: discussion on the possible next steps in the light of the feedback received on the DP.

Next due process step	The Board will discuss a full comment letter and outreach feedback summary on the DP in February 2018.

Share-based Payment

Project objective	The Board examined why IFRS 2 *Share-based Payments* generated many application questions for the IFRS Interpretations Committee.
Current status	The Board has concluded no standard-setting activity is required.
GPF Discussions	GPF March 2016: discussed the potential future of the research project
Next steps	Publish a research summary in Q2 2018.

Section 2—Summary of standard-setting and related projects

Conceptual Framework

Project objective	To provide the Board with a more complete, clear and updated set of concepts to use when it develops or revises IFRS Standards.
Last due process document	ED published in May 2015.
Comment letter summary	The Board considered the comment letter summary on the ED at its meeting in March 2016.
Current status	The Board received an update on the finalisation of the project at its January 2018 meeting.
GPF discussions	GPF November 2015: members' views sought on asset and liability definitions, recognition and derecognition.

Next due process step	It is expected that the revised *Conceptual Framework* will be published in March 2018 together with the accompanying *References to the Conceptual Framework*.

Disclosure Initiative: Definition of Material

Project objective	To clarify the definition of what information is material in preparing financial statements.
Current status	ED published in September 2017; comment period ended 15 January 2018.
Use of consultative groups (this period)	ASAF December 2017: ASAF members were asked for their comments on the proposed clarifications to the definition.
GPF discussions	October 2017: GPF members were asked for their views on the clarification proposed in the Exposure Draft and if any issues might arise from the proposed wording or terminology.
Next steps	The Board will consider the comment letter analysis in April 2018.

Management Commentary

Project objective	To revise and update the Practice Statement *Management Commentary* issued in 2010.
Current status	Added to the Board's agenda in November 2017. The Board will commence discussions in Q2 2018.
Use of consultative groups (this period)	ASAF December 2017: ASAF members were provided with an update on developments in wider corporate reporting and the Board's decision to update the Practice Statement. ASAF

	members were asked for comments on the scope and areas that should be covered by this project and for any other views.
GPF discussions	No usage of GPF to date.
Next steps	Publish an ED.

Rate-regulated Activities

Project objective	To consider whether (or how) IFRS Standards should be amended to reflect the effects of rate regulation.
Last due process document	DP published September 2014.
Comment letter summary	The Board considered the comment letter summary on the DP at its meeting in February 2015.
Current status	The Board is continuing its discussions on developing a model to account for the effects of rate-regulated activities.
Use of consultative groups (this period)	Consultative Group for Rate Regulation October 2017: Members of that group provided input on operational issues and views on the next steps the Board should take.
GPF discussions	GPF March 2016: discussed issues around the meaning of ‘performance’ when constructing assets for use in a rate-regulated business and related issues about recognition and measurement connected to tangible assets, government grants and assets contributed by customers.
Next steps	Publish either a DP or an ED in H1 2019.

Section 3—Summary of other projects and activities

Post-implementation review (PIR) *of IFRS 13 Fair Value Measurement*

Project Objective	To examine the effects of IFRS 13 *Fair Value Measurement* on financial reporting.
Current status	The Board published a Request for Information (RFI). The comment letter period closed on 22 September 2017. In January 2018, the Board received feedback on the RFI, an external academic literature review and research conducted by the staff.
Use of consultative groups (this period)	ASAF December 2017: Provided feedback on the comments received in response to the RFI.
GPF discussions	GPF November 2016: members were provided with a summary of the project and the initial feedback and asked if they had encountered any major issues that made the implementation of IFRS 13 challenging.
Next steps	Feedback Statement.

Appendix B—Implementation and maintenance projects

The following table details the current status of the Board's maintenance projects.

Progress on narrow-scope amendments			
Project	**Objective**	**Status**	**Next steps**
Accounting Policies and Accounting Estimates (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 comment letter deadline was 15 January 2018. GPF members provided feedback on the proposed amendments at their October 2017 meeting.	Consider the comment letter summary in March 2018.
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 costs of applying the change retrospectively.	The Board's discussions for this stage of the project are complete.	Publish an ED in March 2018.

Progress on narrow-scope amendments			
Project	**Objective**	**Status**	**Next steps**
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.	The Board will continue its discussion after completing the revision of the *Conceptual Framework for Financial Reporting*.	Issue an IFRS Amendment in H2 2018.
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. GPF members provided their views on the ED proposals at their November 2016 meeting.	Issue an IFRS Amendment in Q2 2018.
Fees in the '10 percent' test for derecognition (Proposed Amendments to IFRS 9)	As part of the next Annual Improvements Cycle, to clarify which fees and costs a company includes in a quantitative '10 percent' test for assessing whether to derecognise a financial liability.	At a future meeting the Board will consider the required due process.	Publish an ED.

Progress on narrow-scope amendments			
Project	**Objective**	**Status**	**Next steps**
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 discussed the comment letter summary in November 2017. GPF members provided their view on the ED proposals at their June 2017 meeting.	Decide project direction in March 2018.
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 purpose.	The Board discussed a summary of the feedback on the Exposure Draft in December 2017. GPF members provided feedback on the proposed amendments at their October 2017 meeting.	The Committee will deliberate the proposed amendments at a future meeting, taking the feedback into consideration.
Subsidiary as a first-time adopter (Proposed amendments to IFRS 1)	As part of the next Annual Improvements Cycle, 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 a future meeting the Board will consider transition requirements and the required due process steps.	Publish an ED.

Progress on narrow-scope amendments			
Project	**Objective**	**Status**	**Next steps**
Taxation in Fair Value Measurements (Proposed amendments to IAS 41)	As part of the next Annual Improvements Cycle, 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.	At a future meeting the Board will consider transition requirements and the required due process steps	Publish an ED.

Appendix C—November 2017 IFRIC Update

IFRIC® *Update*

From the IFRS® Interpretations Committee

November 2017

Welcome to the November IFRIC *Update*

The IFRIC *Update* is a summary of the decisions reached by the IFRS Interpretations Committee (Committee) in its public meetings.

Decisions on an IFRIC Interpretation become final only after the Committee has taken a formal vote on the Interpretation. IFRIC Interpretations require ratification by the International Accounting Standards Board (Board).

The Committee met in London on **20 November 2017**, and discussed:

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Next IFRS Interpretations Committee meeting

The next meeting is:

16 January 2018

Meeting dates, tentative agendas and additional details about the next meeting will be posted to the IFRS **website** before the meeting. Further information about the activities of the IFRS Interpretations Committee and instructions for submitting requests to the IFRS Interpretations Committee can be found **here**.

Archive of IFRIC *Update*

For archived copies of past issues of IFRIC *Update* **click here**.

Items on the current agenda

Subsidiary as a first-time adopter (IFRS 1 *First-time Adoption of International Financial Reporting Standards*)—Agenda Paper 6

At its meeting in September 2017 the Committee published an agenda decision concluding that paragraph D16 of IFRS 1 does not permit a subsidiary to recognise cumulative translation differences at the amount that would be included in its parent's consolidated financial statements, based on the parent's date of transition to IFRSs.

At this meeting, the Committee recommended to the Board that it propose an amendment to IFRS 1 to provide a subsidiary that applies paragraph D16(a) with additional practical relief for cumulative translation differences.

Next steps

The Board will discuss the Committee's recommendation at a future Board meeting. That discussion will include consideration of whether to allow or require a subsidiary that applies paragraph D16(a) to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRSs.

Costs considered in assessing whether a contract is onerous (IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*)—Agenda Paper 5

The Committee discussed a request asking which costs an entity considers when assessing whether to recognise an onerous contract provision applying paragraph 68 of IAS 37.

The Committee decided to add a project to its standard-setting agenda to clarify the meaning of the term 'unavoidable costs' in the IAS 37 definition of an onerous contract.

Next steps

The Board will discuss the Committee's decision at a future Board meeting.

Committee's tentative agenda decisions

The Committee discussed the following matters and tentatively decided not to add them to its standard-setting agenda. Instead, each tentative agenda decision includes explanatory material referring to the relevant principles and requirements in IFRS Standards. The Committee will reconsider these tentative decisions, including the reasons for not adding the items to its standard-setting agenda, at a future meeting. The Committee encourages interested parties to submit their responses on the Open for comment page by 29 January 2018. The Committee will place all such correspondence on the public record unless the writer specifically requests it remain confidential. In that case, the writer must support the request with good reason, for example, commercial confidentiality.

Presentation of interest revenue for particular financial instruments (IFRS 9 *Financial Instruments* and IAS 1 *Presentation of Financial Statements*)—Agenda Paper 3

The Committee received a request about the effect of the consequential amendment that IFRS 9 made to paragraph 82(a) of IAS 1. That consequential amendment requires an entity to present separately, in the profit or loss section of the statement of comprehensive income or in the statement of profit or loss, interest revenue calculated using the effective interest method. The request asked whether that requirement affects the presentation of fair value gains and losses on derivative instruments that are not part of a designated and effective hedging relationship (applying the hedge accounting requirements in IFRS 9 or IAS 39 *Financial Instruments: Recognition and Measurement*).

Appendix A to IFRS 9 defines the term 'effective interest method' and other related terms. Those interrelated terms pertain to the requirements in IFRS 9 for amortised cost measurement and the expected credit loss impairment model. In relation to financial assets, the Committee observed that the effective interest method is a measurement technique whose purpose is to calculate amortised cost and allocate interest revenue over the relevant time period. The Committee also observed that the expected credit loss impairment model in IFRS 9 is part of, and interlinked with, amortised cost accounting.

The Committee noted that amortised cost accounting, including interest revenue calculated using the effective interest method and credit losses calculated using the expected credit loss impairment model, is applied only to financial assets that are subsequently measured at amortised cost or fair value through other comprehensive income. In contrast, amortised cost accounting is not applied to financial assets that are subsequently measured at fair value through profit or loss.

Consequently, the Committee concluded that the requirement in paragraph 82(a) of IAS 1 to present separately an interest revenue line item calculated using the effective interest method applies only to those assets that are subsequently measured at amortised cost or fair value through other comprehensive income (subject to any effect of a qualifying hedging relationship applying the hedge accounting requirements in IFRS 9 or IAS 39).

The Committee did not consider any other presentation requirements in IAS 1 or broader matters related to the presentation of other 'interest' amounts in the statement of comprehensive income. This is because the consequential amendment that IFRS 9 made to paragraph 82(a) of IAS 1 did not affect those matters. More specifically, the Committee did not consider whether an entity could present other interest amounts in the statement of comprehensive income, in addition to presenting the interest revenue line item required by paragraph 82(a) of IAS 1.

The Committee concluded that the principles and requirements in IFRS Standards provide an adequate basis for an entity to apply paragraph 82(a) of IAS 1 and present separately, in the profit or loss section of the statement of comprehensive income or in the statement of profit or loss, interest revenue calculated using the effective interest method. Consequently, the Committee [decided] not to add this matter to its standard-setting agenda.

Revenue recognition in a real estate contract that includes the transfer of land (IFRS 15 *Revenue from Contracts with Customers*)—Agenda Paper 2A

The Committee received a request about revenue recognition in a contract for the sale of land and a building to be constructed on the land. The land represents all of the area on which the building will be constructed. Specifically, the request asked (a) about the identification of performance obligations in the contract and (b) for each performance obligation identified, whether the real estate developer (entity) recognises revenue over time or at a point in time.

In the fact pattern described in the request, the contract includes the following features:

a. the entity and the customer enter into a non-cancellable contract for the sale of a building yet to be constructed by the entity that will comprise residential units.
b. at contract inception, the entity irrevocably transfers to the customer legal title to the land on which the entity will construct the building. The contract specifies a price for the land, which the customer pays on signing the contract.
c. the entity and the customer agree upon the structural design and specification of the building before the contract is signed. As the building is being constructed:
    i. if the customer requests changes to the structural design or specification, the entity prices the proposed changes based on a methodology specified in the contract; the customer then decides whether to proceed with the changes. The entity can reject the customer's request for changes only for a limited number of reasons, such as when the change would breach planning permission.
    ii. the entity can request changes to the structural design or specification only if not doing so would lead to an unreasonable increase in costs or delay to construction. The customer must approve those changes.
d. the customer is required to make milestone payments throughout the construction period. However, these payments do not necessarily correspond to the amount of work completed to date.

Identifying performance obligations in the contract

Applying paragraphs 22–30 of IFRS 15, an entity identifies as a performance obligation each promise to transfer to the customer a good or service (or a bundle of goods or services) that is distinct, or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Paragraph 27 of IFRS 15 specifies that a good or service promised to a customer is distinct if (a) the customer can benefit from the good or service on its own or together with other resources readily available to the customer (ie the good or service is capable of being distinct); and (b) the entity's promise to transfer the good or service is separately identifiable from other promises in the contract (ie the promise to transfer the good or service is distinct within the context of the contract). The assessment of the criteria in paragraph 27 requires judgement.

Paragraph BC100 explains that an entity assesses the criterion in paragraph 27(a) based on the characteristics of the goods or services themselves. Accordingly, an entity disregards any contractual limitations that might preclude the customer from obtaining readily available resources from a source other than the entity.

Paragraph 29 explains that the objective underlying the criterion in paragraph 27(b) is to determine whether the nature of the promise, within the context of the contract, is to transfer each of the promised goods or services individually or, instead, to transfer a combined item to which those goods or services are inputs. Paragraph 29 also specifies some factors that indicate that two or more promises to transfer goods or services are not separately identifiable.

The Board explained in paragraphs BC105, BC116J and BC116K that the notion of 'separately identifiable' in paragraph 27(b) is influenced by the notion of separable risks (ie whether the risk an entity assumes to fulfil its obligation to transfer one of those promised goods or services to the customer is a risk that is inseparable from the risk relating to the transfer of the other promised goods or services). The evaluation of whether an entity's promise is separately identifiable considers the relationship between the various goods or services within the contract in the context of the process of fulfilling the contract. Therefore, an entity considers the level of integration, interrelation or interdependence among the promises to transfer goods or services. Rather than considering whether one item, by its nature, depends on the other (ie whether two items have a functional relationship), an entity evaluates whether there is a transformative relationship between the two items in the process of fulfilling the contract.

Application of paragraph 27 to the fact pattern in the request

The identification of performance obligations in a contract requires an entity to assess the particular facts and circumstances of the contract. The Committee observed that that assessment may involve judgement and the outcome depends on those particular facts and circumstances.

In the fact pattern described in the request, the land and the building are each capable of being distinct and thus the Committee observed that the criterion in paragraph 27(a) is met. The customer could benefit from the land on its own or together with other resources readily available to it. For example, the customer could hire another developer to construct a building on the land. Similarly, the customer could benefit from the construction of the building on its own or together with other resources readily available to it. For example, the customer could obtain the construction services from the entity or another developer without any transfer of land.

When assessing the criterion in paragraph 27(b) and its underlying objective explained in paragraph 29—ie determining whether the nature of the promise, within the context of the contract, is to transfer the land and the building individually or, instead, to transfer a combined item to which the land and building are inputs, the Committee observed that the entity considers the following:

a. is there a transformative relationship between the transfer of the land and the construction of the building? In other words, would the entity's performance in constructing the building be any different had the customer already purchased the land from another party and vice versa? There is a functional relationship between the land and the building—the building cannot exist without the land; its foundations will be built into the land. However, this does not necessarily mean that the risks to which the entity is exposed in transferring the land to the customer are inseparable from the risks of constructing the building.

b. would the entity be able to fulfil its promise to transfer the land even if the customer purchased the construction services from another developer, and would it be able to fulfil its promise to construct the building even if the customer had purchased the land from another party?

The Committee observed that the promise to transfer the land would be separately identifiable from the promise to construct the building on that land if the entity concluded that (a) its performance in constructing the building would be the same regardless of whether the customer had purchased the land from it or another party; and (b) it would be able to fulfil its promise to construct the building even if the customer had purchased the land from another party, and would be able to fulfil its promise to transfer the land even if the customer purchased the construction services from another developer.

In the fact pattern described in the request, the Committee observed that this would be the case and, thus, concluded that there are two performance obligations in the contract—ie a promise to transfer the land to the customer and a promise to construct the building on that land.

Application of paragraph 35 to the fact pattern in the request

For each performance obligation, the entity applies the criteria in paragraph 35 of IFRS 15 to determine whether to recognise revenue over time. If none of the criteria in paragraph 35 are met, the entity recognises revenue at a point in time.

Application of paragraph 35 to the promise to transfer land

In the fact pattern described in the request, the entity's performance delivers the land to the customer. The land is not consumed immediately and, thus, the criterion in paragraph 35(a) is not met. Nor does the entity's performance create or enhance the land, and, thus, the criteria in paragraphs 35(b) and 35(c) are not met.

Consequently, the Committee observed that the entity recognises revenue for the transfer of the land to the customer at a point in time applying paragraph 38 of IFRS 15.

Application of paragraph 35 to the promise to construct the building

The Committee discussed the application of paragraph 35 to a promise to construct a real estate unit in [September 2017]. The following observations made by the Committee in its [tentative] agenda decision 'Revenue recognition in a real estate contract (IFRS 15)' are also applicable to the promise to construct the building in the fact pattern described in the request:[1]

a. in a contract for the sale of a building that the entity constructs, the Committee observed that paragraph 35(a) is not applicable because the entity's performance creates an asset, ie the building, that is not consumed immediately.
b. paragraph BC129 of IFRS 15 explains that the Board included the criterion in paragraph 35(b) to 'address situations in which an entity's performance creates or enhances an asset that a customer clearly controls as the asset is created or enhanced'. Accordingly, the Committee observed that, in applying paragraph 35(b), an entity assesses whether there is evidence that the customer clearly controls the asset that is being created or enhanced (for example, the part-constructed building) as it is created or enhanced. An entity considers all relevant factors in making this assessment—no one factor is determinative.
c. in applying paragraph 35(b), it is important to apply the requirements for control to the asset that the entity's performance creates or enhances. In a contract for the sale of a building that the entity constructs, the asset created is the building itself. It is not, for example, the right to obtain the building in the future.

[The paragraph above will be updated depending on the outcome of the Committee's consideration of comment letters received on the IFRS 15 tentative agenda decision published in September 2017.]

In the fact pattern described in the request discussed in November 2017, the Committee observed that the criterion in paragraph 35(a) is not met. This is because the customer does not simultaneously receive and consume the benefits provided by the entity's construction of the building as the building is being constructed—the entity's performance creates an asset, the part-constructed building, that is not consumed immediately.

[1] The references to 'real estate unit' in the [tentative] agenda decision published in [September 2017] have been changed to 'building' in this [tentative] agenda decision.

In assessing the criterion in paragraph 35(b), the entity assesses whether, as the building is being constructed, the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the part-constructed building.

The Committee concluded that, in the fact pattern described in the request, the customer controls the part-constructed building as it is being constructed because the customer has the following:

a. the ability to direct the use of the building as it is being constructed. The customer has this ability through its control of the land, and by being able to change the structural design and specification of the building as it is being constructed. The contract also enables the customer to prevent the entity or others from directing the use of the building.
b. the ability to obtain substantially all of the remaining economic benefits from the building. The entity cannot redirect the building for another use or to another entity. Accordingly, on signing the contract, the customer has the ability to obtain substantially all of the remaining benefits from the building.

Accordingly, the criterion in paragraph 35(b) is met. The Committee noted the Board's observation in paragraph BC129 of IFRS 15 that 'in the case of a construction contract in which the entity is building on the customer's land, the customer generally controls any work in progress arising from the entity's performance'.

The Committee concluded that the principles and requirements in IFRS 15 provide an adequate basis for an entity to recognise revenue in the fact pattern described in the request. Consequently, the Committee [decided] not to add this matter to its standard-setting agenda.

Right to payment for performance completed to date (IFRS 15 *Revenue from Contracts with Customers*)—Agenda Paper 2B

The Committee received a request about whether to recognise revenue over time or at a point in time in relation to a contract for the sale of a unit in a residential multi-unit complex (real estate unit). Specifically, the request asked whether, in the fact pattern described in the request, the real estate developer (entity) has an enforceable right to payment for performance completed to date as described in paragraph 35(c) of IFRS 15.

For each performance obligation, an entity applies the criteria in paragraph 35 of IFRS 15 to determine whether to recognise revenue over time. If none of the criteria in paragraph 35 are met, the entity recognises revenue at a point in time.

The request specifically asked about the application of paragraph 35(c) of IFRS 15. Applying paragraph 35(c), an entity recognises revenue over time if (i) the asset created by an entity's performance does not have an alternative use to the entity; and (ii) the entity has an enforceable right to payment for performance completed to date.

Paragraph 37 of IFRS 15 states that, to have an enforceable right to payment, at all times throughout the duration of the contract, the entity must be entitled to an amount that at least compensates the entity for performance completed to date if the contract is terminated for reasons other than the entity's failure to perform as promised.

Paragraph B9 of IFRS 15 states that an amount that would compensate an entity for performance completed to date would be an amount that approximates the selling price of the goods or services transferred to date, rather than compensation for only the entity's potential loss of profit if the contract were to be terminated. Accordingly, if an entity is entitled only to compensation for loss of profit, it does not have an enforceable right to payment for performance completed to date and, thus, the criterion in paragraph 35(c) is not met.

Application of paragraph 35(c)—enforceable right to payment—to the fact pattern in the request

The assessment of whether an entity has an enforceable right to payment for performance completed to date requires an entity to consider the rights and obligations created by the contract, taking into account the legal environment within which the contract is enforceable. Accordingly, the Committee observed that the outcome of an entity's assessment depends on the particular facts and circumstances of the contract.

In the fact pattern described in the request, the contract for the real estate unit includes the following features:

a. the entity and the customer enter into a contract for the sale of a real estate unit in a residential multi-unit complex before the entity constructs the unit. The entity's obligation under the contract is to deliver the completed real estate unit as specified in the contract. The entity retains legal title to the real estate unit (and any land attributed to it) until construction is complete.

b. the customer pays 10% of the purchase price for the real estate unit at contract inception, and pays the remainder of the purchase price to the entity after construction is complete.
c. the customer has the right to cancel the contract at any time before construction is complete. If the customer cancels the contract:
    i. the entity is legally required to make reasonable efforts to resell the real estate unit to a third party. On resale, the entity enters into a new contract with the third party—ie the original contract is not novated to the third party. If the resale price to be obtained from the third party is less than the original purchase price (plus selling costs), the customer is legally obliged to pay the difference to the entity.
    ii. the customer does not have any rights to sell, use or develop the real estate unit.

The Committee observed that the principle in paragraph 31 of IFRS 15 for the recognition of revenue is about the relationship between the entity and the customer. The Committee also observed that, in the fact pattern described in the request, the objective in applying paragraph 35(c) is to assess whether the customer obtains control of the real estate unit as it is being constructed. It is, therefore, the payment the entity is entitled to receive from (or on behalf of) the customer relating to performance under the contract with the customer that is relevant in determining whether the entity has a right to payment for performance completed to date. The consideration received by the entity from the third party in the resale contract is consideration relating to that resale contract—it is not payment for performance under the contract with the customer.

The Committee observed that, based on the fact pattern described in the request, the nature of the payment from the customer to which the entity has a right under the contract is a payment for the difference between the resale price and the original purchase price (plus selling costs). Accordingly, the entity has a right to compensation for loss of profit on termination of the contract—it does not have an enforceable right to payment for performance completed to date as described in paragraph 35(c) of IFRS 15.

The Committee concluded that the principles and requirements in IFRS 15 provide an adequate basis for an entity to determine whether it has an enforceable right to payment for performance completed to date. Consequently, the Committee [decided] not to add this matter to its standard-setting agenda.

Committee’s agenda decisions

Acquisition of a group of assets (IFRS 3 *Business Combinations*)—Agenda Paper 4

The Committee received a request asking how an entity accounts for the acquisition of a group of assets that does not constitute a business (the group). More specifically, the submitter asked how to allocate the transaction price to the identifiable assets acquired and liabilities assumed when:

a. the sum of the individual fair values of the identifiable assets and liabilities is different from the transaction price; and
b. the group includes identifiable assets and liabilities initially measured both at cost and at an amount other than cost.

Paragraph 2(b) of IFRS 3 requires an entity to do the following on acquisition of a group of assets:

a. identify and recognise the individual identifiable assets acquired and liabilities assumed; and
b. allocate the cost of the group to the individual identifiable assets and liabilities based on their relative fair values at the date of the acquisition.

Other IFRS Standards include initial measurement requirements for particular assets and liabilities (for example, IFRS 9 *Financial Instruments* for financial instruments).

The Committee observed that if an entity initially considers that there might be a difference between the transaction price for the group and the sum of the individual fair values of the identifiable assets and liabilities, the entity first reviews the procedures it has used to determine those individual fair values to assess whether such a difference truly exists before allocating the transaction price.

The Committee then considered two possible ways of accounting for the acquisition of the group.

Applying the first approach, an entity accounts for the acquisition of the group as follows:

a. it identifies the individual identifiable assets acquired and liabilities assumed that it recognises at the date of the acquisition;
b. it determines the individual transaction price for each identifiable asset and liability by allocating the cost of the group based on the relative fair values of those assets and liabilities at the date of the acquisition; and then
c. it applies the initial measurement requirements in applicable Standards to each identifiable asset acquired and liability assumed. The entity accounts for any difference between the amount at which the asset or liability is initially measured and its individual transaction price applying the relevant requirements.

Applying the second approach, for any identifiable asset or liability initially measured at an amount other than cost, an entity initially measures that asset or liability at the amount specified in the applicable IFRS Standard. The entity deducts from the transaction price of the group the amounts allocated to the assets and liabilities initially measured at an amount other than cost, and then allocates the residual transaction price to the remaining identifiable assets and liabilities based on their relative fair values at the date of the acquisition.

The Committee concluded that a reasonable reading of the requirements in paragraph 2(b) of IFRS 3 on the acquisition of a group of assets that does not constitute a business results in one of the two approaches outlined in this agenda decision. The Committee observed that an entity would apply its reading of the requirements consistently to all acquisitions of a group of assets that does not constitute a business. An entity would also disclose the selected approach applying paragraphs 117–124 of IAS 1 *Presentation of Financial Statements* if that disclosure would assist users of financial statements in understanding how those transactions are reflected in reported financial performance and financial position.

In the light of its analysis, the Committee considered whether to add a project on the acquisition of a group of assets to its standard-setting agenda. The Committee noted that any such project would not be narrow in scope. With this in mind, the Committee observed that it had not obtained sufficient evidence that the outcomes of applying the two approaches outlined in this agenda decision would be expected to have a material effect on the amounts that entities report. Consequently, the Committee concluded that a project would not result in an improvement in financial reporting that would be sufficient to outweigh the costs. The Committee therefore decided not to add this matter to its standard-setting agenda.

Agenda Paper 4: Monitor the matter

The Committee observed that the forthcoming amendment to the definition of a business in IFRS 3 is likely to increase the population of transactions that constitute the acquisition of a group of assets. Accordingly, this matter will be monitored after the forthcoming amendments to IFRS 3 become effective.

Other matters

Committee work in progress—Agenda Paper 7

The Committee received a report on three requests for consideration at a future meeting.

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Appendix D—January 2018 IFRIC Update

IFRIC® *Update*

From the IFRS® Interpretations Committee

January 2018

Welcome to the January IFRIC *Update*

The IFRIC *Update* is a summary of the decisions reached by the IFRS Interpretations Committee (Committee) in its public meetings.

Decisions on an IFRIC Interpretation become final only after the Committee has taken a formal vote on the Interpretation. IFRIC Interpretations require ratification by the International Accounting Standards Board (Board).

The Committee met on **16 January 2018**, and discussed:

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Next IFRS Interpretations Committee meeting

The next meeting is:

13 -14 March 2018

Meeting dates, tentative agendas and additional details about the next meeting will be posted to the IFRS **website** before the meeting. Further information about the activities of the IFRS Interpretations Committee and instructions for submitting requests to the IFRS Interpretations Committee can be found **here**.

Archive of IFRIC *Update*

For archived copies of past issues of IFRIC *Update* **click here**.

Committee’s agenda decisions

Contributing property, plant and equipment to an associate (IAS 28 *Investments in Associates and Joint Ventures*)—Agenda Paper 2

The Committee received a request about how an entity accounts for a transaction in which it contributes property, plant and equipment (PPE) to a newly formed associate in exchange for shares in the associate.

In the fact pattern described in the request:

a. three entities, collectively referred to as investors, set up a new entity. The investors are all controlled by the same government—ie they are under common control.
b. the investors each contribute items of PPE to the new entity in exchange for shares in that entity. The PPE contributed by the investors is not a business (as defined in IFRS 3 *Business Combinations*).
c. each investor has significant influence over the new entity. Accordingly, the new entity is an associate of each of the investors. The investors do not have control or joint control of the entity.
d. the transaction is carried out on terms equivalent to those that would prevail in an orderly transaction between market participants.

The request asked:

a. about the application of IFRS Standards to transactions involving entities under common control (common control transactions)—ie whether IFRS Standards provide a general exception or exemption from applying the requirements in a particular Standard to common control transactions (Question A).
b. whether an investor recognises any gain or loss on contributing PPE to the associate to the extent of other investors’ interests in the associate (Question B).
c. how an investor determines the gain or loss on contributing PPE to the associate and the cost of its investment in the associate. In particular, the request asked whether the cost of each investor’s investment in the associate is based on the fair value of the PPE contributed or the fair value of the acquired interest in the associate (Question C).

In analysing the request, the Committee assumed the contribution of PPE to the associate has commercial substance as described in paragraph 25 of IAS 16 *Property, Plant and Equipment*.

Question A

Paragraph 7 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* requires an entity to apply an IFRS Standard to a transaction when that Standard applies specifically to the transaction. The Committee observed, therefore, that unless a Standard specifically excludes common control transactions from its scope, an entity applies the applicable requirements in the Standard to common control transactions.

Question B

Paragraph 28 of IAS 28 requires an entity to recognise gains and losses resulting from upstream and downstream transactions with an associate only to the extent of unrelated investors’ interests in the associate. Paragraph 28 includes as an example of a downstream transaction the contribution of assets from an entity to its associate.

The Committee observed that the term ‘unrelated investors’ in paragraph 28 of IAS 28 refers to investors other than the entity (including its consolidated subsidiaries)—ie the word ‘unrelated’ does not mean the opposite of ‘related’ as it is used in the definition of a related party in IAS 24 *Related Party Disclosures*. This is consistent with the premise that financial statements are prepared from the perspective of the reporting entity, which in the fact pattern described in the request is each of the investors.

Accordingly, the Committee concluded that an entity recognises any gain or loss on contributing PPE to an associate to the extent of other investors’ interests in the associate.

Question C

This question has an effect only if the fair value of the PPE contributed differs from the fair value of the equity interest in the associate received in exchange for that PPE. The Committee observed that in the fact pattern described in the request, it would generally expect the fair value of PPE contributed to be the same as the fair value of the equity interest in the associate that an entity receives in exchange. If there is initially any indication that the fair value of the PPE contributed might differ from the fair value of the acquired equity interest, the investor first assesses the reasons for this difference and reviews the procedures and assumptions it has used to determine fair value.

The Committee observed that applying the requirements in IFRS Standards, an entity recognises a gain or loss on contributing PPE and a carrying amount for the investment in the associate that reflects the determination of those amounts based on the fair value of the PPE contributed—unless the transaction provides objective evidence that the entity's interest in the associate might be impaired. If this is the case, the investor also considers the impairment requirements in IAS 36 *Impairment of Assets*.

If, having reviewed the procedures and assumptions used to determine fair value, the fair value of the PPE is more than the fair value of the acquired interest in the associate, this would provide objective evidence that the entity's interest in the associate might be impaired.

For all three questions, the Committee concluded that the principles and requirements in IFRS Standards provide an adequate basis for an entity to account for the contribution of PPE to an associate in the fact pattern described in the request. Consequently, the Committee decided not to add this matter to its standard-setting agenda.

Agenda Paper 2: Board project on Business Combinations under Common Control

In considering this matter, the Committee noted the Board's research project on Business Combinations under Common Control (BCUCC). Transactions in which an entity contributes property, plant and equipment (PPE) to a newly formed associate in exchange for shares in the associate are outside the scope of the BCUCC research project. As part of that project however, the Board will consider the interaction between the accounting for transactions within the scope of the project and the accounting for other transactions under common control.

Other matters

Committee work in progress—Agenda Paper 3

The Committee received a report on five requests for consideration at a future meeting. In addition, the Committee was informed of one tentative agenda decision for which the comment letter period has ended. An analysis of the comments received will be presented at a future meeting.

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Appendix E—IFRS Taxonomy projects

IFRS Taxonomy

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. 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.

IFRS Taxonomy Update—Annual Improvements

Project objective	Improve the IFRS Taxonomy content including: • changes to support consistent tagging of reporting related to continuing and discontinued operations; and • additions to better reflect the disaggregation of disclosures in IAS 19 *Employee Benefits and the* disclosures in IFRS 7 *Financial Instruments: Disclosures* relating to the initial application of IFRS 9 *Financial Instruments*.
Current status	Comment period closed on 29 January 2018.
Next due process step	Discuss feedback received at the February 2018 meeting of the IFRS Taxonomy Consultative Group.

	To be reviewed by the IFRS Taxonomy Review Panel[1] and subsequently changes to be included in the annual IFRS Taxonomy 2018.

IFRS Taxonomy Update—Common Practice (IFRS 13)

Project objective	To identify potential common practice elements related to the presentation and disclosure requirements of IFRS 13 *Fair Value Measurement*.
Current status	In progress.
Next due process step	Discuss proposed addition to the IFRS Taxonomy at the April 2018 meeting of the IFRS Taxonomy Consultative Group. To be reviewed by the IFRS Taxonomy Review Panel.

IFRS Taxonomy Update—Prepayment Features with Negative Compensation (Amendments to IFRS 9)

Project objective	To update the IFRS Taxonomy for the presentation and disclosure requirements of the amendments to IFRS 9.
Current status	Analysing feedback on the Proposed Taxonomy Update
Next due process step	Discuss feedback received at the February 2018 meeting of the IFRS Taxonomy Consultative Group. To be approved by the Board and subsequently changes to be included in the annual IFRS Taxonomy 2018.

[1] The IFRS Taxonomy Review Panel consists of three to five Board members and one senior technical director. In accordance with the agreed due process, the IFRS Taxonomy Review Panel reviews (but does not approve) IFRS Taxonomy content not directly reflecting new or amended IFRS Standards. This includes updates reflecting new common practice content or where appropriate annual improvements to the IFRS Taxonomy.

C3. 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 F—Work plan as at 31 January 2018

Description	Next milestone	Expected date for next milestone as at 31.01.2018
Research Projects		
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
Standard-setting and related projects		
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

Description	Next milestone	Expected date for next milestone as at 31.01.2018
Narrow-scope amendments		
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) Annual Improvements (next cycle)	Exposure Draft	No date
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 (IFRS 1)	Exposure Draft	No date
Taxation in Fair Value Measurements (IAS 41)	Exposure Draft	No date

Description	Next milestone	Expected date for next milestone as at 31.01.2018
Post-implementation review		
IFRS 13 *Fair Value Measurement*	Feedback Statement	No date
Other		
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