IFRS

Capital Markets Advisory Committee

Date	21 March 2019
Location	**International Accounting Standards Board** Columbus Building, 7 Westferry Circus Canary Wharf, London E14 4HD, UK

AGENDA

as at 19 February 2019

Time	Agenda item	Agenda ref.
09:00 – 09:05	**Welcome and introduction of new members**	
09.05 - 09.35	**IASB Update**	AP1A / AP1B
09:35 - 10:30	**Extractives** **To be discussed at this meeting:** The staff are performing outreach with users of financial statements to help the Board understand the nature and extent of the problems that users face when using financial statements of entities with extractive activities. This feedback will help the Board to identify the problems that need to be remedied and assist in its consideration of the scope of the research project. **Background:** Extractive activities are important globally and are particularly significant in some countries. Today, the existing Standard, IFRS 6 *Exploration for and Evaluation of Mineral Resources* allows companies to use various accounting models to report the resources and expenditures associated with these activities. The resulting diversity in financial information hinders investors from understanding the financial position and financial performance of those companies. The Board is exploring whether it should undertake a project to improve the accounting associated with extractive activities, beginning with a review of previous research in this area.	AP2

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10:45 - 11:30	**Financial Instruments with Characteristics of Equity** **To be discussed at this meeting:** Discussion of feedback received from investors on the Discussion Paper. **Background:** The Board published the Discussion Paper *Financial Instruments with Characteristics of Equity* in June 2018. The Discussion Paper sets out the Board's preferred approach to classification of a financial instrument, from the perspective of the issuer, as a financial liability or an equity instrument. The Discussion Paper also explores enhanced presentation and disclosure requirements that would provide further information about the effects that financial instruments have on the issuer's financial position and financial performance.	AP3

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11:30 - 12:15	**Targeted Standards-level Review of Disclosures** **To be discussed at this meeting:** CMAC members' views on potential disclosure objectives and requirements relating to IAS 19 *Employee Benefits* and IFRS 13 *Fair Value Measurement*. **Background** In July 2018, the Board added a Targeted Standards-level Review of Disclosures project to its Agenda. The Board also selected IAS 19 *Employee Benefits* and IFRS 13 *Fair Value Measurement* to be the subjects of this review. Since then, staff and Board Members have performed one-to-one outreach with users of financial statements on these two Standards. That outreach is intended to help the Board develop detailed disclosure objectives that will help companies prepare more effective financial statement disclosures in future. The staff plan to use feedback from CMAC members in discussions with the Board at the May 2019 meeting.	AP4/AP4B

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as at 19 February 2019

Time	Agenda item	Agenda ref.
12:15 – 13:00	**IAS 37 *Provisions, Contingent Liabilities and Contingent Assets***	AP5

To be discussed at this meeting:

CMAC members' views on:

- whether the Board should start a project to amend some aspects of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and
- if so, which aspects of IAS 37 to review as part of that project.

Background

The Board is gathering evidence to help it decide whether to start a project to amend some aspects of IAS 37. It has identified several aspects of IAS 37 that have given rise to problems in practice and possible amendments it could make to address the problems. Those possible amendments could include, for example:

- updating the definition of a liability and supporting guidance in IAS 37 to make them consistent with the revised Conceptual Framework. The amendments could include withdrawing IFRIC 21 Levies and replacing it with new requirements;
- clarifying the costs to include in the measure of a provision; and
- specifying whether the rate at which provisions are discounted should exclude or include the entity's 'own credit' risk.

Before deciding whether to start a project and, if so, which aspects of IAS 37 to review as part of that project, the Board is seeking views from various stakeholder groups.

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13:45 – 15:00	**Management Commentary Practice Statement** **To be discussed at this meeting:** CMAC members' views on the challenges with the current practice on reporting performance and position in management commentary. In addition, CMAC members views on staff's proposed approach to specific topics in revising the Practice Statement, including: • management commentary and other reports; • overview of performance and position; • information about tax; and • forward-looking information in management commentary. **Background:** On 14 November 2017, the Board added a project to its agenda to revise and update the IFRS Practice Statement 1 *Management Commentary* (Practice Statement) issued in 2010. In undertaking the project, the Board will consider how broader financial reporting could complement and support IFRS financial statements. To support the Board's work on updating the Practice Statement, the Board established the Management Commentary Consultative Group. The Board expects to publish an Exposure Draft in the first half of 2020.	AP6

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15:15 – 16:25	**Business Combinations Under Common Control** **To be discussed at this meeting:** The staff would like to ask CMAC members for their views on: • whether the measurement approaches being developed by the staff for business combinations under common control would meet the information needs of the receiving entity's investors, lenders and other creditors. Those approaches are a current value approach based on the acquisition method set out in IFRS 3 *Business Combinations* and a predecessor approach; and • how to determine when each of those approaches should be applied to a business combination under common control. **Background:** IFRS Standards do not specify how to account for combinations of companies or businesses controlled by the same party—often called business combinations under common control. As a result, companies account for such transactions in different ways, which makes it difficult for investors and regulators to compare the effects of those transactions on companies' financial positions and performances. The Board is discussing whether it can develop requirements that would improve the comparability and transparency of accounting for such transactions to help investors compare and better understand their effects. The Board has finalised its discussion of the scope of the project and is now exploring how companies should account for such transactions.	AP7