

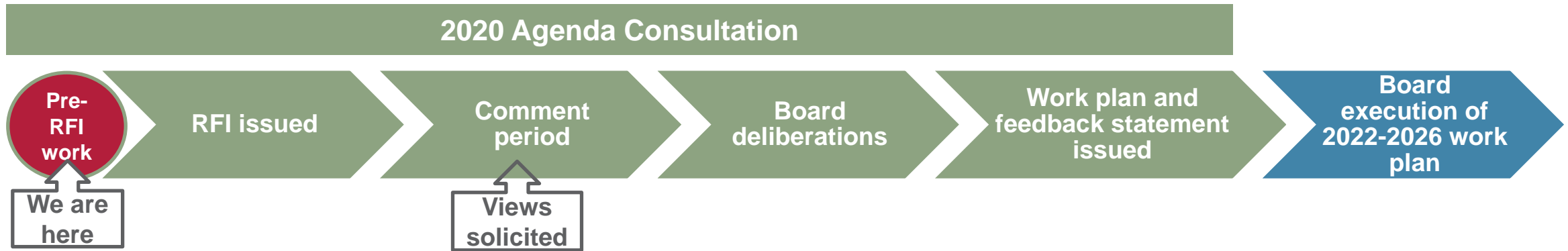
2020 Agenda Consultation— Planning for the Request for Information

Capital Markets Advisory Committee
October 2019

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The views expressed in this presentation are those of the presenter, not necessarily those of the International Accounting Standards Board or the IFRS Foundation.

Overview of the 2020 Agenda Consultation



- The Board determines its strategy and work plan, within its remit, every five years. This process is called an agenda consultation.
 - The Trustees conduct a separate Strategy and Effectiveness review of the IFRS Foundation.
- As part of the 2020 Agenda Consultation, the Board will issue a Request for Information (RFI). An RFI is a public consultation that gives stakeholders an opportunity to share their views on the Board’s priorities to facilitate the Board’s decision-making about its next work plan.
- In developing the RFI, the Board seeks to include appropriate background information and questions to help stakeholders comment on the RFI and ensure the Board obtains sufficient evidence to make sound decisions.

Objective of this session

- To brief you on the status of preparations for the 2020 Agenda Consultation
- To ask for your help to develop the 2020 Request for Information (RFI)



- Background to the 2020 Agenda Consultation
- Approach to the 2020 Agenda Consultation
- Requests



Background to the 2020 Agenda Consultation


Purpose of agenda consultation – to seek feedback

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1 Strategic direction and balance of work plan

2 Criteria for assessing projects to be added

3 Priority of financial reporting issues

 Each agenda consultation focusses on the overall balance and priorities of the Board's activities. Individual projects may still be added to the work plan subsequent to the agenda consultation.

Excerpt from Due Process Handbook

4.3 The IASB is required to undertake a public consultation on its work programme every five years by way of a public *Request for Information*. The IASB normally allows a minimum of 120 days for comment on a work programme (agenda) consultation Request for Information. The primary objective of the review is to seek formal public input on the strategic direction and balance of the IASB's work programme, including the criteria for assessing projects that may be added to the IASB's standards-level programme. The review could also seek views on financial reporting issues that respondents think should be given priority by the IASB, together with any proposals to withdraw from the IASB's work programme any projects that have not proceeded as planned and for which the prospects for progress are limited. Section 5 details how a project is added to the IASB's standards-level programme.

	2015 Agenda Consultation	2020 Agenda Consultation
Pre-RFI work <ul style="list-style-type: none"> • Outreach to help develop the RFI • Board deliberations • Drafting 	March 2015 – July 2015	September 2019 – August 2020
RFI	August 2015	September 2020
Comment period	To December 2015	To January 2021
Feedback Statement	November 2016	Q4 2021
Work Plan	2017 – 2021	2022 – 2026

**Excerpt from
Due Process
Handbook**

4.5 ...The next consultation should commence at the latest five years after the current consultation has been completed.

Context for the 2020 Agenda Consultation

How we are doing against 2015 Agenda Consultation goals

Complete major Standards

Conceptual Framework

(completed in 2018)

Insurance Contracts

(completed in 2017)

Better communication in financial reporting

Primary Financial Statements – *ED expected in 2019*

Disclosure Initiative – *completed work on Principles of Disclosure and Materiality, work on targeted Standards-level review ongoing*

Management Commentary – *ED expected in 2020*

Taxonomy - *ongoing*

More support for existing Standards

Allocate additional resource – *completed; more issues addressed and significantly faster processing than in past*

Post-implementation reviews

- IFRS 3, IFRS 8 and IFRS 13 – *completed*
- IFRS 10, IFRS 11 and IFRS 12 – *expected to start in 2019*
- IFRS 5 – *not started*

Focus research programme

Programme refocused

- Research projects – *in process*
- Pipeline projects – *have started work on most, but not all projects, as intended before 2020 Agenda Consultation*

Context for the 2020 Agenda Consultation

Take-aways from 2015 Agenda Consultation

- The significant achievements against the 2015 Agenda Consultation goals demonstrate the benefits of a more focussed agenda and disciplined research process in order to make more timely progress.
- However, the Board may not meet all of its goals, in part, because it added new projects (IFRS 17 amendments; IBOR reform; and update to management commentary, including aspects of environmental, social and governance developments) subsequent to the 2015 Agenda Consultation.
- As such, for the 2020 Agenda Consultation, capacity to add new research and standard-setting projects could potentially be limited:
 - A number of projects are still in process
 - Capacity should be retained for issues arising after conclusion of the 2020 Agenda Consultation
 - Expansion of other activities (slides 11-13) may limit capacity for research and standard-setting
 - Expansion of research and standard-setting projects could affect timeliness of those projects and of other activities (eg, processing of Interpretations Committee submissions)

Approach to the 2020 Agenda Consultation

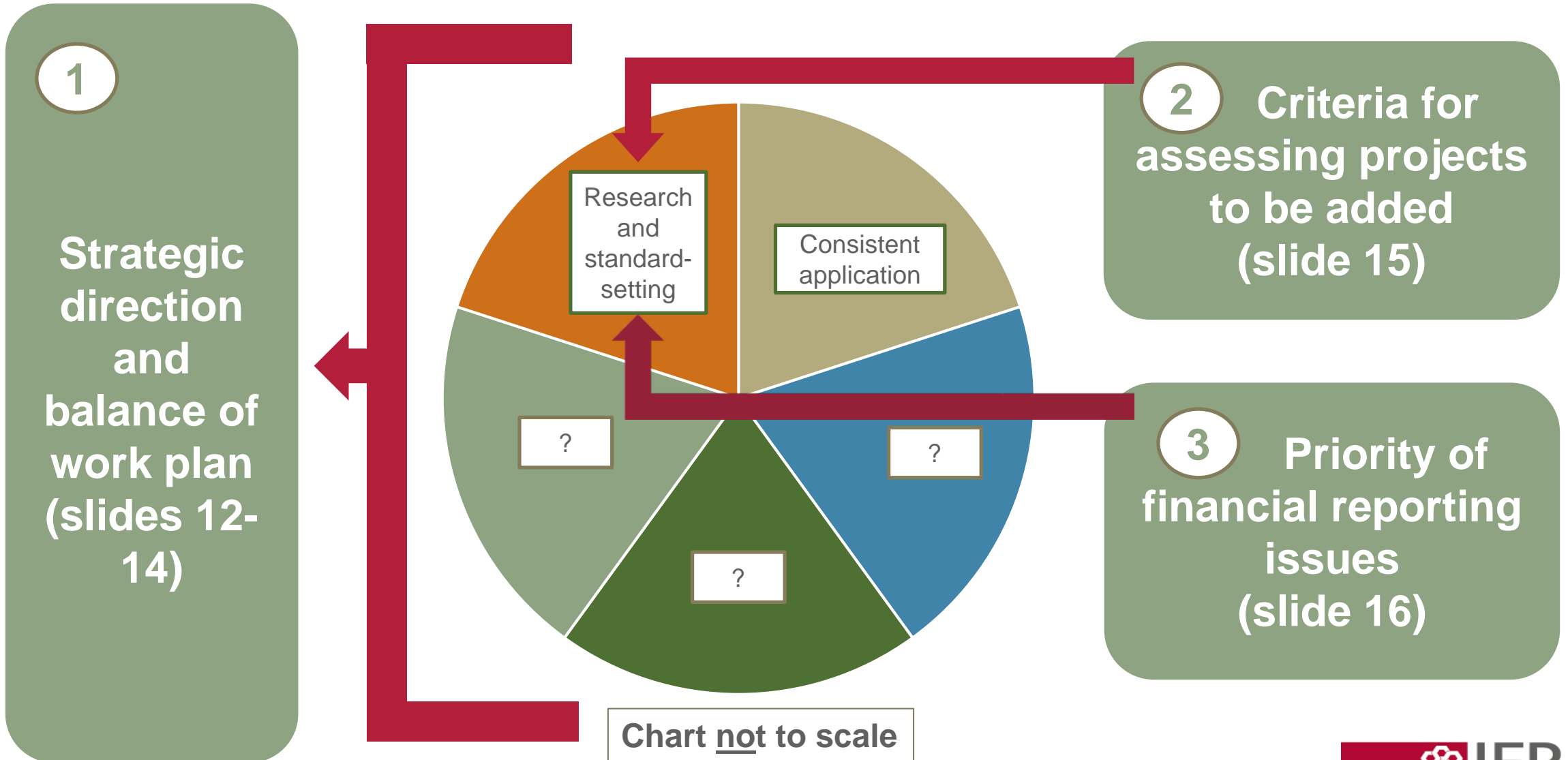


The following approach reflects the staff's preliminary recommendation. Subsequent to the posting of this paper, but prior to the October CMAC meeting:

- We will consult with the IFRS Advisory Council on this approach (18-19 September)
- The Board will decide its approach (week of 23 September)

We will update you on the above meetings at the October CMAC meeting.

Content of RFI - overview



1 Strategic direction and balance of work plan

- The RFI will first seek feedback on the strategic direction and balance of the Board's work plan, within the Board's remit:

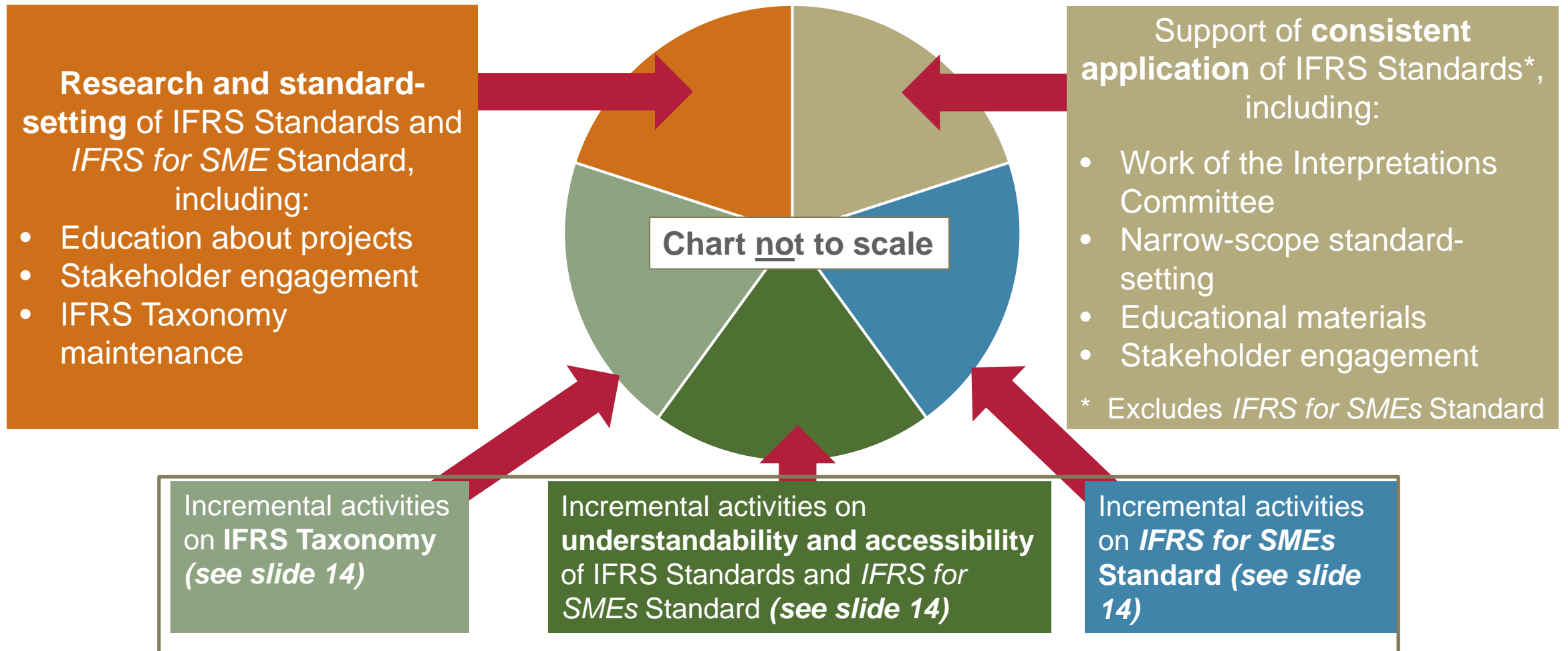
The Board develops Standards for general purpose financial reporting, the objective of which is to provide financial information about a reporting entity that is useful to existing and potential investors, lenders and other creditors in making decisions relating to providing resources to the entity.

- Feedback received will help define the Board's priority activities, that is, the slices of the pie shown on slide 11. The activities reflected in the pie require a trade-off with each other in determining the balance of the Board's primary activities.
- Determining the balance of activities can never be a science; rather, feedback will provide directional information on how to prioritise the Board's primary activities.

1 What are the Board's primary activities?

Standard-setting is more than developing Standards...

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1 Incremental activities

IFRS Taxonomy

- With the growing impact of technology, users are increasingly consuming financial reports prepared in accordance with IFRS Standards electronically.
- The Board already supports electronic consumption through the IFRS Taxonomy.
- Incremental activities include, for example, supporting adoption of the IFRS Taxonomy in more jurisdictions, supporting improved data quality and influencing and educating other participants in the financial reporting ecosystem.

Understandability and accessibility

- The 2017 IFRS Foundation Reputation Survey noted a need to further improve the understandability and accessibility of the Standards.
- The Board already has efforts underway to support the understandability of new and amended IFRS Standards and the *IFRS for SME* Standard.
- Incremental activities include, for example, investigating cross-cutting changes to requirements, structure and language; changing internal processes; developing additional materials to complement the Standards; and using technology to navigate the Standards.

IFRS for SMEs Standard

- The Board undertakes a review of the *IFRS for SMEs* Standard on a periodic basis.
- Incremental activities include, for example, educational material to support consistent application of the Standard and the SME Implementation Group's Q&As on the Standard.

- The Board will need to prioritise the research and standard-setting issues identified by stakeholders in their feedback to the RFI.
- To do so, the Board will use specified criteria to assess the projects to be added.
- The range and subjectivity of any specified criteria means that prioritising topics on the work plan can never be a science.
- Nonetheless, the RFI will seek to:
 - Obtain information to help the Board assess each potential project against the specified criteria
 - Obtain feedback regarding whether there are other criteria the Board should consider

Possible Criteria

- a deficiency in reporting
- the urgency of the matter to users
- the types of entities and jurisdictions affected
- how pervasive or acute the issue is for entities
- interaction with other projects
- complexity and feasibility of project and solutions
- capacity of the Board and its stakeholders to progress a project on a timely basis

Priority of financial reporting issues

- One output of the 2020 Agenda Consultation is a prioritisation of financial reporting issues to be added to the Board’s work plan on research and standard-setting projects.
- The RFI seeks to obtain information to facilitate the Board’s prioritisation.
- To elicit focussed feedback on the RFI, we will conduct pre-RFI outreach to develop a shortlist of potential projects to include in the RFI, describing:
 - Problem definition
 - Why issue is important (eg, urgency, pervasiveness, effect)
 - Which stakeholders are affected (eg, type, jurisdiction, industry, size)
 - Potential solutions
 - Size of project (large, medium, small)

The Board cannot realistically include analysis of all financial reporting issues in the RFI. The intention of the shortlist is to focus the analysis on the likely potential projects.




In contrast to the targeted pre-RFI outreach—which is designed to develop a shortlist of potential projects—the RFI will provide the vehicle for formal, broad-based consultation for stakeholders to provide additional information on the shortlist of potential projects; describe other potential projects not covered in the RFI; and make prioritisation recommendations.

The feedback to the RFI will enable the Board to decide on its future priorities.

Requests

Requests

- At the October meeting, we would appreciate your input to help us shape the RFI.
- To that end:
 1. Please send to AgendaConsultation@ifrs.org up to three new potential projects for the RFI shortlist by 25 Sep. 
 2. The IASB Technical Staff will summarise and circulate your list by 2 Oct.
 3. At the October meeting, for each of your suggestions, please be prepared to discuss:
 - Problem definition
 - Why issue is important (eg, urgency, pervasiveness, effect)
 4. The Board may also describe the following in the RFI. If you have any thoughts, we would be interested in hearing them.
 - Which stakeholders are affected (eg, type, jurisdiction, industry, size)
 - Potential solutions
 - Size of project (large, medium, small)

See <https://www.ifrs.org/projects/work-plan/> for a description of existing projects



The above requests are intended to develop the RFI.

The RFI itself is the formal vehicle on which to express your views. Feedback on the RFI will provide the Board with evidence to facilitate its decision-making on its next work plan.

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