

AGENDA PAPER

IFRS® Foundation Trustees meeting – Due Process Oversight Committee

Brussels	February 2020	Agenda ref 1B
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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 for the period October 2019 to January 2020.
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*. 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. **At this meeting there are no projects for which the DPOC is being asked to specifically confirm that due process has been followed.**
4. The report is structured as follows:
 - (a) Due process procedures in the period (paragraphs 6–41). This part of the report informs the DPOC about the following matters that occurred during the period:
 - (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 deliberations and decisions in the period.
 - (b) Other matters occurring during the period for the attention of the DPOC (paragraphs 43–71). This part of the report provides background information for the DPOC about some of the activities of the Board and Interpretations Committee in the period.
 - (c) Agenda paper compliance report (paragraph 72).

(d) Changes in the Board's Work Plan in the period (paragraph 73).

5. The accompanying appendices are as follows:

Appendix A—Changes in the Work Plan in the period

Appendix B—Overview of projects on the Work Plan at 31 January 2020 reflecting the changes indicated in Appendix A. 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 projects
- Section 2—Standard-setting projects
- Section 3—Maintenance projects
- Section 4—Current IFRS Taxonomy projects

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 that the Board paper summarising the due process steps taken in developing that due process document was:
- (a) approved by the Board to confirm that all necessary due process steps to date on the project had been completed; and
 - (b) reported to the DPOC (via the pre-board meeting email).

Due process document	Issued	Due Process Stage	Due Process Steps	
			Approved by Board ¹	Reported to DPOC
General Presentation and Disclosures (Primary Financial Statements project)	December 2019	Exposure Draft	July 2019	18 July 2019
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	January 2020	IFRS Amendment	September 2019	23 September 2019
2019 Comprehensive Review of the <i>IFRS for SMEs</i> Standard	January 2020	Request for Information	December 2019	9 December 2019

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.

Paragraph 4.16 of the *Due Process Handbook* sets out the due process requirements for the Board when publishing a Request for Information.

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 final agenda decision was published;
 - the tentative (ie draft) agenda decision was published for comment for 60 days; and
 - the feedback on the tentative agenda decision was discussed by the Committee before finalisation.

Topic	Final Agenda Decision published	Tentative Agenda Decision published	Feedback discussed by the Committee
Lease Term and Useful Life of Leasehold Improvements (IFRS 16 <i>Leases</i> and IAS 16 <i>Property, Plant and Equipment</i>)	December 2019	June 2019	November 2019
Definition of a Lease—Decision-making Rights (IFRS 16 <i>Leases</i>)	January 2020	September 2019	January 2020

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 IFRS Taxonomy due process documents issued in the period together with the review undertaken.
9. The Board is required to approve IFRS 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 IFRS Taxonomy Consultative Group (ITCG) provides guidance throughout the development of an IFRS Taxonomy Update and normally also reviews all content changes.

IFRS Taxonomy Update	Published	Reviewed ³	
		Board	ITCG
Proposed IFRS Taxonomy Update—Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	October 2019	Ballot Draft approved by the Board October 2019	September 2019

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 the IFRS Standards.

Other due process deliberations and decisions in the period

Primary Financial Statements

10. As previously reported, in July 2019, the Board gave the staff permission to start the balloting process to publish the Exposure Draft *General Presentation and Disclosures*.
11. During the balloting process, the staff identified a matter relating to classifying, in the statement of profit or loss, income and expenses from investments in integral associates and joint ventures, other than the share of profit or loss from these investments. As a result, the Board discussed this matter at its November 2019 meeting. The Board concluded that no change was required to the wording of the draft Standard, but additional explanation was required in the Basis for Conclusions. The Exposure Draft was published in December 2019 with a 180-day comment period.
12. During the comment period, Board members and staff are conducting extensive outreach activities, some in partnership with national standard-setters. The activities include webinars, roundtables, fieldwork, discussions with the consultative groups and national standard-setters' advisory groups, stakeholder group discussions and one-on-one meetings. Users will be included in as many meetings as possible and separate discussions are also planned with users.

2019 Comprehensive Review of the *IFRS for SMEs* Standard

13. In 2019 the Board commenced the Comprehensive Review of the *IFRS for SMEs* Standard. This is the second comprehensive review of the *IFRS for SMEs* Standard since it was issued in 2009, the first review being completed in 2015.
14. At its December 2019 meeting, the Board confirmed that it had completed all necessary due process steps to publish a Request for Information (RFI).
15. The objective of the RFI is to seek views on whether and how aligning the *IFRS for SMEs* Standard with the full IFRS Standards could better serve users of financial statements prepared applying the *IFRS for SMEs* Standard without causing undue cost and effort for SMEs.
16. The RFI addresses three topics:
 - (a) Strategic and general topics—the Board's approach to the second comprehensive review, including whether and how the *IFRS for SMEs* Standard should continue to be aligned with full IFRS Standards;
 - (b) Aligning specific sections of the *IFRS for SMEs* Standard with full IFRS Standards—addresses how the *IFRS for SMEs* Standard could be aligned with IFRS Standards it is not currently aligned with (including IFRS 9 *Financial Instruments*, IFRS 15 *Revenue from Contracts with Customers* and IFRS 16 *Leases*); and

- (c) Other matters related to SMEs—addresses topics not currently included in the *IFRS for SMEs* Standard and on areas the Board has received feedback about application of the Standard.
17. The Board published the RFI in January 2020 with a comment period of 180 days.

Narrow-scope and other amendments

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

18. In October 2019, the Board confirmed it was satisfied that it had complied with applicable due process requirements to issue an amendment to IAS 16 *Property, Plant and Equipment*. The Board agreed that the amendments did not require re-exposure.
19. The amendments prohibit a company from deducting from the cost of property, plant and equipment any proceeds it receives from selling items produced while that property, plant and equipment is being prepared for its intended purpose. Instead, the company recognise those sales proceeds and related cost in profit or loss.
20. The amendments are expected to be issued in March 2020. The effective date will be for annual reporting periods beginning on or after 1 January 2022.

Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)

21. In December 2019, the Board confirmed it was satisfied that it had complied with applicable due process requirements to issue an amendment to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The Board agreed that the amendments did not require re-exposure.
22. The amendments will clarify that the ‘cost of fulfilling’ a contract for the purpose of assessing whether that contract is onerous comprises the costs that relate directly to the contract.
23. The amendments are expected to be issued in the second quarter of 2020. The effective date will be for annual reporting periods beginning on or after 1 January 2022.

Annual Improvements to IFRS Standards 2018–2020

24. In December 2019, the Board confirmed it was satisfied that it had complied with applicable due process requirements to issue *Annual Improvements to IFRS Standards 2018–2020*. The Board agreed that the amendments did not require re-exposure.
25. This collection of annual improvements comprises four minor amendments to IFRS Standards.
26. The amendments are expected to be issued in April 2020. The effective date will be for annual reporting periods beginning on or after 1 January 2022.

Accounting Policies and Accounting Estimates (Amendments to IAS 8)

27. In December 2019, the Board confirmed it was satisfied that it had complied with applicable due process requirements to issue an amendment to IAS 8 *Accounting*

Policies, Changes in Accounting Estimates and Errors. (The Board had already concluded the amendments did not require re-exposure at its October 2019 meeting.)

28. The amendments will introduce a definition of ‘accounting estimates’ and provide other clarifications to help entities distinguish changes in accounting policies from changes in accounting estimates.
29. The effective date will be for annual reporting periods beginning on or after 1 January 2022.

Updating a Reference to the Conceptual Framework (Amendments to IFRS 3)

30. In January 2020, the Board confirmed it was satisfied that it had complied with applicable due process requirements to issue an amendment to IFRS 3 *Business Combinations*. The Board agreed that the amendments did not require re-exposure.
31. The amendments update IFRS 3 so that it refers to the 2018 *Conceptual Framework* instead of the 1989 *Framework* and add an exemption to the recognition requirements of IFRS 3. The objective of the exemption is to avoid a resulting conflict between the accounting for levies in IFRIC 21 *Levies* and other obligations in IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* on a business combination and subsequently.
32. The amendments are expected to be issued in April 2020. The effective date will be for annual reporting periods beginning on or after 1 January 2022.

Projects added to the standard-setting programme

Provisions—Targeted Improvements

33. The Board has been undertaking a research project gathering evidence to help it decide whether to start a project to develop proposals to amend aspects of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.
34. In January 2020, the Board concluded that it had undertaken sufficient research to add to its standard-setting programme a project to amend targeted aspects of IAS 37.
35. The Board consulted the ASAF and the IFRS Advisory Council about adding a project to the standard-setting programme.
36. The staff are now preparing a project plan—including planned due process steps—for approval by the Board. It is expected that the first consultation document will be an exposure draft including all three proposed amendments.

Subsidiaries that are SMEs

37. The Board has been undertaking a research project assessing whether it would be feasible to permit subsidiaries that do not have public accountability (ie that are SMEs) to apply the recognition and measurement requirements of IFRS Standards and the disclosure requirements of the *IFRS for SMEs* Standard, with only minimal tailoring of those disclosure requirements.

38. In January 2020, the Board concluded that it had undertaken sufficient research to move the project to the standard-setting programme. The objective of the project is therefore to develop a reduced-disclosure IFRS Standard that would apply on a voluntary basis to subsidiaries that do not have public accountability.
39. The Board consulted the ASAF and the IFRS Advisory Council about moving the project to the standard-setting programme.
40. The Board decided not to establish a consultative group for the project, considering it more appropriate to consult lenders to non-publicly accountable entities and preparers of subsidiary financial statements.
41. At a future meeting the Board will be asked to confirm that the next stage of the project is to develop an exposure draft rather than a discussion paper.

Other matters occurring during the period for the attention of the DPOC

Technical projects

Amendments to IFRS 17

42. During the period, the Board has made significant progress in considering the feedback on the Exposure Draft of proposed amendments to IFRS 17 *Insurance Contracts*.
43. As previously reported, the Exposure Draft was issued in June 2019 with a 90-day comment period (as approved by the DPOC). The proposed amendments are intended to support implementation of IFRS 17 by reducing the costs of implementing the Standard and making it easier for entities to explain their results when they apply the Standard. The proposed amendments do not change the fundamental principles of the Standard or reduce the usefulness of information for users of financial statements. They also should not unduly disrupt implementation processes that are already under way.
44. At its October and November 2019 meetings, the Board discussed the feedback on the Exposure Draft from the outreach undertaken and the comment letters. In the light of that feedback, in November, the Board decided on its plan for redeliberating the matters raised by respondents. Consistent with the approach agreed for the Exposure Draft, the Board has taken a targeted approach to the redeliberations to avoid unnecessary uncertainty and disruption for entities in the midst of implementing the Standard. This means that the Board has been careful before agreeing to consider additional amendments that were not proposed in the Exposure Draft. However, the Board did agree to reconsider five topics, which it had considered in developing the Exposure Draft but for which it decided not to propose any amendments to IFRS 17, because new information was provided in the feedback. For the other concerns and suggestions that the Board considered in developing the Exposure Draft but for which it decided not to propose any amendments to IFRS 17 (and for which it explained its rationale in the Basis for Conclusions on the Exposure Draft), the Board decided not to consider further the feedback from respondents. Having considered the feedback on the Exposure Draft for these matters, the Board concluded that it had not identified points in the feedback it had not considered previously. By taking this decision at the start of the redeliberations, the Board has provided clarity for stakeholders that IFRS 17 will not be subject to additional amendments for these matters. This should help to limit disruption to implementation processes under way.
45. At its December 2019 and January 2020 meetings, the Board finalised twelve of the nineteen topics that it decided it would consider in the redeliberations of the Exposure Draft. For nine of these topics, the Board tentatively confirmed the proposals in the Exposure Draft, with some clarifications, or confirmed its decision to retain unchanged

the requirements in IFRS 17. With respect to the other three topics, the Board has tentatively decided to:

- (a) extend the amendment for reducing accounting mismatches arising when an entity recognises losses on insurance contracts at initial recognition and has the right to recover those losses through reinsurance contracts;
 - (b) confirm the proposed scope exclusion from IFRS 17 for some credit card contracts, with some changes;
 - (c) provide an additional accounting policy choice relating to the subsequent treatment of accounting estimates made in previous interim financial statements.
46. The Board will consider the remaining topics at its February 2020 meeting before considering the feedback on the proposal to defer the effective date of IFRS 17 to 2022 at its March 2020 meeting. Whilst some respondents think a one-year deferral is appropriate and would not want to delay further the application of IFRS 17, others think more time is needed. Additionally, some respondents commented on the importance of entities in different jurisdictions around the world first applying IFRS 17 at the same time.
47. As previously reported, the Board's objective is to issue any resulting amendments to IFRS 17 in mid-2020.

IBOR Reform and its Effects on Financial Reporting

48. As reported at previous meetings, the Board has been considering the possible effects on financial reporting resulting from the reform of interest rate benchmarks such as interbank offered rate rates (IBOR) and their possible replacement with alternative, nearly risk-free interest rates.
49. The Board decided to consider the potential accounting implications in two phases:
- (a) Phase 1—focussing on financial reporting issues arising in the period leading up to the replacement of an existing interest rate benchmark with an alternative interest rate benchmark (pre-replacement issues); and
 - (b) Phase 2—focussing on issues that might arise when an existing interest rate benchmark is replaced with an alternative interest rate benchmark (replacement issues).
50. As reported in October 2019, the Board completed Phase 1 of the project in September 2019 by issuing amendments to IFRS 9 *Financial Instruments* and its predecessor IAS 39 *Financial Instruments: Recognition and Measurement*. The objective of these amendments was to provide entities with temporary relief from applying specific existing hedge accounting requirements that could result in them having to discontinue hedge accounting solely due to the uncertainty arising from the reform of interest rate benchmarks.
51. Concurrently with the completion of Phase 1 of the project, the Board began considering the potential financial reporting implications that could arise when an

- interest rate benchmark is replaced with an alternative benchmark rate (Phase 2). The scope of Phase 2 of this project is broader than the previous phase because it will encompass different areas in financial instruments accounting and also has to consider other IFRS Standards potentially affected by IBOR Reform.
52. At the September 2019 Board meeting, the Board tentatively decided the scope of the issues to be considered during Phase 2. The objective of any potential amendments to IFRS Standards as part of this phase is to provide useful information about the effects of the transition to alternative benchmark rates on an entity's financial statements and support preparers in applying the requirements of the IFRS Standards during IBOR reform. The Board further observed that for information about the effects of transitioning to alternative benchmark rates to be useful it must be relevant and faithfully represent the economic effects of transition to alternative benchmark rates on an entity's financial statements.
 53. At the October and December 2019 meetings, the Board discussed and tentatively decided to make amendments to IFRS 9 for specific aspects of classification and measurement of financial instruments and to IFRS 9 and IAS 39 for specific aspects of hedge accounting. Without these amendments, companies might, for example, be required to recognise gains or losses in profit or loss on modifying contracts or discontinue hedge accounting.
 54. At the January 2020 meeting, the Board discussed the interaction between the end of application requirements for the Phase 1 exceptions with its tentative decisions on the proposed Phase 2 exceptions, additional disclosure requirements to be added to IFRS 7 *Financial Instruments: Disclosures* and the amendments required to other IFRS Standards affected by IBOR reform.
 55. The Board is expected to conclude its deliberations on Phase 2 at the February 2020 meeting, at which the staff will ask the Board permission to commence the balloting process of the Exposure Draft.
 56. The comment period for the Exposure Draft is discussed in Agenda Paper 1D for this meeting.

Business Combinations under Common Control

57. As reported at previous meetings, the Board is discussing whether it can develop requirements that would improve the comparability and transparency of reporting business combinations under common control. These transactions are currently excluded from the scope of IFRS 3 *Business Combinations*. In practice, some entities report these transactions applying a so-called predecessor approach but others apply the acquisition method set out in IFRS 3. There are also different variants of the predecessor approach. This diversity limits comparability of information provided in financial statements and creates complexity for users of financial statements.
58. In developing the requirements, the Board has consulted various stakeholders from various jurisdictions, notably users of financial statements, and sought feedback from

its consultative bodies. The Board also considered the existing requirements and guidance in national GAAPs, as well as current reporting practice.

59. At its September 2019–December 2019 meetings, the Board tentatively decided to propose a current value approach based on the acquisition method for most business combinations under common control that affect non-controlling shareholders and a predecessor approach for all other transactions within the scope of the project, notably those between wholly-owned entities.
60. The Board expects to complete its discussions in February 2020 and to issue a discussion paper in the second quarter of 2020.

Management Commentary

61. Since the last report on this project to the DPOC, the Management Commentary Consultative Group (MCCG) formed to support the project to revise IFRS Practice Statement 1 *Management Commentary* had two further meetings (April and December 2019). The April meeting focussed on reporting an entity’s business model, strategy, risks and operating environment. The December meeting focussed on staff’s proposals for the project as a whole and on ways to support application of the revised Practice Statement and its adoption in jurisdictions. The MCCG also provided additional input on topics that generated particular interest, including the proposed approach to reporting information about intangible resources and relationships and about environmental, social and governance (ESG) matters.
62. The discussions with the MCCG were supplemented with consultations with the Board’s consultative groups, namely the Capital Markets Advisory Committee (March and June 2019), the Global Preparers Forum (March and June 2019) and the Accounting Standards Advisory Forum (April and June 2019).
63. The Board is currently discussing what guidance to provide in the revised Practice Statement to help address identified gaps in the current management commentary reporting practice. This has included discussing the guidance to be provided on reporting an entity’s business model in management commentary.

Post-implementation Review of IFRS 10, IFRS 11 and IFRS 12

64. In the period, the staff has undertaken outreach for Phase 1 of the Post-implementation Review (PIR) of the ‘consolidation suite’ of Standards (IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities*). This has involved approximately 20 meetings or calls with a broad range of stakeholders, including investors, to learn about stakeholders’ experience with these Standards from their different perspectives (ie as a preparer, auditor, regulator or user). The staff has also consulted the Interpretations Committee, the Capital Markets Advisory Committee, the Global Preparers Forum, the Emerging Economies Group and the Accounting Standards Advisory Forum.
65. The Board will discuss the results of this outreach in February 2020 and discuss the next steps in the Review.

66. The staff has also undertaken a scoping review of academic research relevant to the Review.

2020 Agenda Consultation

67. This is discussed in Agenda Paper 1C for this meeting.

Implementation activities

Interpretations Committee

68. The Interpretations Committee met in November 2019 and January 2020 and published two tentative agenda decisions and two final agenda decisions, which include material explaining the application of IFRS Standards to support their consistent application. Included in these final agenda decisions is the agenda decision addressing lease term in IFRS 16 *Leases* that was considered by the DPOC at its December 2019 meeting.
69. At the close of the January 2020 meeting, there was one submission from stakeholders that had not yet been considered by the Committee.
70. In October 2019, the first of a new compilation of agenda decisions was published. This compilation will be published in April and October each year bringing together agenda decisions finalised in the most recent six-month period, organised by topic. Together with the new quarterly podcast, this document will improve the visibility of agenda decisions.

Agenda paper compliance report⁴

71. In the period October 2019 to January 2020, all agenda papers discussed by the Board and the Interpretations Committee were made available on our public website unaltered. No Board papers were posted after the posting deadline in the period.

Changes in the Board's Work Plan in the period

72. Appendix A details *changes* in the Board's Work Plan in the period October 2019 to January 2020. This includes explaining any changes in project timings in the period.

⁴ 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.'

Appendix A—Changes in the Work Plan in the period October 2019 to January 2020

Description	Next milestone	Original forecast for next milestone	Expected date for next milestone		Explanation of changes in expected dates
			as at 1 October 2019	as at 31 January 2020	
Research Projects					
Dynamic Risk Management	Core Model Outreach	H1 2019	Q4 2019	Q2 2020	Reallocation of staff to IBOR Reform
Financial Instruments with Characteristics of Equity	Decide Project Direction	Q4 2019	Q4 2019	H2 2020	Change of direction for project (as reported in October 2019)
Goodwill and Impairment	Discussion Paper	H2 2019	February 2020	March 2020	Drafting taking longer than expected because of efforts to make the document more accessible to a broader audience
Standard-setting Projects					
Primary Financial Statements	Exposure Draft Feedback	n/a	n/a	H2 2020	New milestone set in period
Rate-regulated Activities	Exposure Draft	H2 2019	H1 2020	H2 2020	Staff turnover and drafting of ED taking longer than expected
Subsidiaries that are SMEs	Discussion Paper or Exposure Draft	n/a	n/a	No date set	Project moved from Research programme

Appendix A—Changes in the Work Plan in the period October 2019 to January 2020

Description	Next milestone	Original forecast for next milestone	Expected date for next milestone		Explanation of changes in expected dates
			as at 1 October 2019	as at 31 January 2020	
Maintenance Projects					
2019 Comprehensive Review of the <i>IFRS for SMEs</i> Standard	Request for Information Feedback	n/a	n/a	No date set	New milestone set in period
Accounting Policies and Accounting Estimates (Amendments to IAS 8)	IFRS Amendment	n/a	n/a	No date set	New milestone set in period
Amendments to IFRS 17 <i>Insurance Contracts</i>	IFRS Amendment	n/a	n/a	Q2 2020	New milestone set in period
Annual improvements to IFRS Standards 2018–2020	IFRS Amendment	n/a	n/a	April 2020	New milestone set in period
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	IFRS Amendment	H2 2019	Q1 2020	n/a	Project completed in period—IFRS Amendment issued in January 2020
Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)	Exposure Draft Feedback	n/a	No date set	Q2 2020	Date set in period
IBOR Reform and its Effects on Financial Reporting—Phase 2	Exposure Draft	n/a	No date set	April 2020	Date set in period
Lack of exchangeability (Amendments to IAS 21)	Exposure Draft	n/a	n/a	No date set	Project added to work plan in period
Provisions—Targeted Improvements	Decide Project Direction	n/a	n/a	No date set	Project moved from Research programme

Appendix A—Changes in the Work Plan in the period October 2019 to January 2020

Description	Next milestone	Original forecast for next milestone	Expected date for next milestone		Explanation of changes in expected dates
			as at 1 October 2019	as at 31 January 2020	
Updating a Reference to the Conceptual Framework (Amendments to IFRS 3)	IFRS Amendment	n/a	n/a	April 2020	New milestone set in period

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

Section 1 Research projects

Business Combinations under Common Control (see paragraphs 57–60 of this report)

Current status		Active research project—last Board discussion January 2020
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.
Last due process document		None
Comment letter summary presented to the Board		Not applicable
Last discussion with consultative groups (this due process stage)	ASAF ⁵	July 2019
	CMAC ⁶	June 2019 (Joint CMAC/GPF meeting)
	GPF ⁷	June 2019 (Joint CMAC/GPF meeting)
	Other	<ul style="list-style-type: none"> World Standard-setters Conference—September/October 2019 Emerging Economies Group—March 2019
Next due process steps		Issue a Discussion Paper in Q2 2020

Dynamic Risk Management

Current status		Active research project—last Board discussion October 2019
Project Objective		To explore whether an accounting model can be developed that will provide users of financial statements with better information about a company's dynamic risk management activities and how it manages those activities.
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	October 2019
	CMAC	None
	GPF	None
	Other	World Standard-setters Conference—September/October 2019
Next due process steps		<p>Core Model Outreach Q2 2020</p> <p>The Board is developing a core model which will be discussed with stakeholders before developing a second Discussion Paper.</p>

⁵ Accounting Standards Advisory Forum

⁶ Capital Markets Advisory Committee

⁷ Global Preparers Forum

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

Extractive Activities

Current status	Active research project—last Board discussion September 2019	
Project Objective	<p>To gather evidence to help decide whether to start a project to develop proposals to replace IFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i>.</p> <p>Before deciding the scope and direction of this research project, the Board has asked those national standard-setters who contributed to the 2010 Discussion Paper about extractive activities to make the Board aware of any developments since the paper's 2010 publication.</p>	
Last due process document	None	
Comment letter summary presented to the Board	Not applicable	
Last discussion with consultative groups (this due process stage)	ASAF	October 2018 (Presentation)
	CMAC	March 2019
	GPF	None
	Other	Emerging Economies Group—December 2019
Next due process steps	Review research in Q2 2020	

Financial Instruments with Characteristics of Equity

Current status	Active research project—last Board discussion December 2019	
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	Discussion Paper issued June 2018	
Comment letter summary presented to the Board	<p>March 2019 (High level analysis)</p> <p>June and July 2019 (Detailed analysis)</p>	
Last discussion with consultative groups (this due process stage)	ASAF	October 2019
	CMAC	March 2019
	GPF	November 2018
	Other	<ul style="list-style-type: none"> World Standard-setters Conference—September/October 2019 Emerging Economies Group—October 2018
Next due process steps	Decide Project Direction in H2 2020	

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

Goodwill and Impairment

Current status	Active research project—last Board discussion July 2019	
Project Objective (revised July 2018)	<p>To explore whether disclosures could be improved to enable investors to assess more effectively whether a business combination was a good investment decision and whether the acquired business is performing after the acquisition as was expected at the time of the acquisition.</p> <p>To explore whether it is possible to simplify the accounting for goodwill by:</p> <ul style="list-style-type: none"> (a) exploring possible relief from the mandatory annual quantitative impairment test of goodwill; and (b) exploring whether to reintroduce amortisation of goodwill. <p>To explore two targeted improvements to the calculation of value in use for the impairment test in IAS 36 <i>Impairment of Assets</i>.</p>	
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 2019
	CMAC	June 2019 (Joint CMAC/GPF meeting)
	GPF	June 2019 (Joint CMAC/GPF meeting)
	Other	<ul style="list-style-type: none"> • World Standard-setters Conference—September/October 2019 • Emerging Economies Group—March 2019
Next due process steps	Issue a Discussion Paper in March 2020 (Discussion Paper currently being balloted)	

Pension Benefits that Depend on Asset Returns

Current status	Active research project—last Board discussion January 2020	
Project Objective	To gather evidence to help decide whether to start a project to develop proposals for targeted amendments to the requirements for defined benefit plans in IAS 19 <i>Employee Benefits</i> . The amendments would relate to employee benefits that depend on the return on a specified pool of assets.	
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 2019
	CMAC	None
	GPF	None
	Other	None
Next due process steps	Review research H2 2020	

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

Post-implementation Review of IFRS 10, IFRS 11 and IFRS 12 (see paragraphs 64–66 of this report)

Current status		Active project—last Board discussion September 2019 (<i>project activated in September 2019</i>)
Project Objective		Gather evidence to assess whether IFRS 10 <i>Consolidated Financial Statements</i> , IFRS 11 <i>Joint Arrangements</i> and IFRS 12 <i>Disclosure of Interests in Other Entities</i> are working as intended.
Last due process document		None
Comment letter summary presented to the Board		n/a
Last discussion with consultative groups (this due process stage)	ASAF	December 2019
	CMAC	October 2019
	GPF	October 2019
	Other	<ul style="list-style-type: none"> • IFRS Interpretations Committee—November 2019 • Emerging Economics Group—December 2019
Next due process steps		Review Research in February 2020

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

Section 2 Standard-setting projects

Management Commentary (see paragraphs 61–63 of this report)

Current status		Active project—last Board discussion November 2019
Project Objective		To revise and update 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	July 2019
	CMAC	June 2019 (Joint CMAC/GPF meeting)
	GPF	June 2019 (Joint CMAC/GPF meeting)
	Other	<ul style="list-style-type: none"> • World Standard-setters Conference—October 2018 • Management Commentary Consultative Group—December 2019 • IFRS Advisory Council—April 2017
Next due process steps		Issue an Exposure Draft in H2 2020

Primary Financial Statements (see paragraphs 10–12 of this report)

Current status		Active project—last Board discussion November 2019
Project Objective		To develop 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		Exposure Draft issued December 2019
Comment letter summary presented to the Board		Not applicable (open for comment)
Last discussion with consultative groups (this due process stage)	ASAF	July 2019
	CMAC	June 2019 (Joint CMAC/GPF meeting)
	GPF	October 2019
	Other	<ul style="list-style-type: none"> • World Standard-setters Conference—September/October 2019 • IFRS Advisory Council—September 2018 • IFRS Taxonomy Consultative Group—January 2020 • Emerging Economics Group—December 2019
Next due process steps		Exposure Draft feedback in H2 2020

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

Rate-regulated Activities

Current status		Active project—last Board discussion January 2020
Project Objective		To develop a new accounting model to give users of financial statements better information about a company's incremental rights and obligations arising from its rate-regulated activities.
Last due process document		Discussion Paper issued September 2014
Comment letter summary presented to the Board		March 2015
Last discussion with consultative groups (this due process stage)	ASAF	October 2018
	CMAC	October 2019
	GPF	March 2016
	Other	<ul style="list-style-type: none"> • Consultative Group for Rate Regulation—November 2017 • World Standard-setters Conference—September/October 2019 • Emerging Economics Group—March 2019
Next due process steps		Issue an Exposure Draft in H2 2020 (Exposure Draft currently being drafted)

Subsidiaries that are SMEs (see paragraphs 37–41 of this report)

Current status		Active project (<i>transferred from Research Programme in January 2020</i>)—last Board discussion January 2020
Project Objective		To develop a reduced disclosure IFRS Standard based on the disclosure requirements of the <i>IFRS for SMEs</i> Standard that would apply on a voluntary basis to subsidiaries that do not have public accountability.
Last due process document		None
Comment letter summary presented to the Board		n/a
Last discussion with consultative groups (this due process stage)	ASAF	April 2019
	CMAC	None
	GPF	March 2019
	Advisory Council	September 2019 (consulted on whether to add to standard-setting programme)
Next due process steps		Issue a Discussion Paper or Exposure Draft (no date yet set)

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

Section 3—Maintenance projects

Project	Objective	Project Status	Next steps
2019 Comprehensive Review of the IFRS for SMEs Standard	<p>To undertake the second periodic comprehensive review of the <i>IFRS for SMEs Standard</i>.</p> <p>As a first step, the Board has published a request for Information seeking views on whether and how aligning the <i>IFRS for SMEs Standard</i> with full IFRS Standards could better serve users of financial statements prepared applying the IFRS for SMEs Standard, without causing undue cost and effort.</p>	<p>The Board published a Request for Information in January 2020. The comment period ends in July 2020.</p> <p>See paragraphs 14–18 of this report.</p>	<p>Consider Request for Information feedback (no date yet set)</p>
Accounting Policies and Accounting Estimates (Amendments to IAS 8)	<p>To clarify the existing distinction between a change in accounting policy and a change in accounting estimate.</p>	<p>In December 2019, the Board gave permission to begin the balloting process for the final amendment.</p>	<p>Issue an IFRS Amendment (no date yet set)</p>
Accounting Policy Changes (Amendments to IAS 8)	<p>To lower the impracticability threshold regarding retrospective application of voluntary changes in accounting policies that result from an agenda decision. The proposed threshold would include a consideration of the benefits and cost of applying the change retrospectively.</p>	<p>The Board has made decisions on one aspect of the proposals. The Board will consider the remaining aspects of the proposals at a future meeting.</p>	<p>Decide project direction (no date yet set)</p>

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

Project	Objective	Project Status	Next steps
Amendments to IFRS 17 Insurance Contracts	To consider possible amendments responding to stakeholder concerns and implementation challenges raised since the Standard was issued. The Board is assessing possible amendments against criteria it developed in October 2018.	See paragraphs 42–47 of this report.	Issue an IFRS Amendment in Q2 2020
Annual Improvements to IFRS Standards 2018-2020 <ul style="list-style-type: none"> • Fees in the ‘10 per cent’ Test for Derecognition of Financial Liabilities (Amendments to IFRS 9) • Lease Incentives (Amendment to Illustrative Example 13 accompanying IFRS 16) • Subsidiary as a First-time Adopter (Amendments to IFRS 1) • Taxation in Fair Value Measurements (Amendments to IAS 41) 	<ul style="list-style-type: none"> • To clarify which fees and costs a company includes in a quantitative ‘10 per cent’ test for assessing whether to derecognise a financial liability. • To amend Illustrative Example 13 accompanying IFRS 16 <i>Leases</i> to remove from the example the reimbursement of leasehold improvements by the lessor. • To permit 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. • To amend IAS 41 <i>Agriculture</i> to remove the requirement to exclude taxation cash flows when measuring the fair value of biological assets using a present value technique. 	In December 2019, the Board gave permission to begin the balloting process for the final amendments.	Issue an IFRS Amendment in April 2020

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

Project	Objective	Project 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.	The staff is researching how to progress the project.	Issue an IFRS Amendment (no date yet set)
Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)	To amend the requirements relating to the recognition of deferred tax when an entity accounts for transactions, such as leases or decommissioning obligations, by recognising both an asset and a liability.	The Board issued an Exposure Draft in July 2019. The comment period ended in November 2019.	Consider Exposure Draft feedback in Q2 2020
Disclosure Initiative—Accounting Policies	To develop guidance and examples for IFRS Practice Statement 2 <i>Making Materiality Judgements</i> to help entities apply materiality judgements to accounting policy disclosure.	The Board issued an Exposure Draft in August 2019. The comment period ended in November 2019.	Consider Exposure Draft feedback in February 2020
Disclosure Initiative—Targeted Standards-level Review of Disclosures	To develop guidance for the Board itself to use when developing and drafting disclosure requirements in IFRS Standards. The Board will test this guidance by applying it to the disclosure requirements in IAS 19 <i>Employee Benefits</i> and IFRS 13 <i>Fair Value Measurement</i> .	The staff is testing the guidance on IAS 19 <i>Employee Benefits</i> and IFRS 13 <i>Fair Value Measurements</i> . As part of that testing, Board and staff members have held meetings with over 30 users of financial statements and consulted with the CMAC, GPF and ASAF.	Issue an Exposure Draft in H2 2020
IBOR Reform and its Effects on Financial Reporting—Phase 2	To consider the potential financial reporting implications when an existing interest rate benchmark is replaced with an alternative interest rate.	See paragraphs 48–56 of this report.	Issue an Exposure Draft in April 2020

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

Project	Objective	Project Status	Next steps
Lack of Exchangeability (Amendments to IAS 21) <i>New project in period</i>	To specify requirements on the spot exchange rate an entity uses when exchangeability is lacking.	The Board tentatively decided to undertake narrow-scope standard-setting on this matter as a result of a recommendation from the Interpretations Committee. The Board will continue its discussion at a future meeting.	Issue an Exposure Draft (no date yet set)
Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)	To clarify the meaning of the term 'unavoidable costs' in the IAS 37 definition of an onerous contract.	In December 2019, the Board gave permission to begin the balloting process for the final amendment.	Issue an IFRS Amendment in Q2 2020
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	To reduce diversity in how companies account for proceeds from selling items produced while testing an item of plant or equipment before it is ready for its intended use.	In October 2019, the Board gave permission to begin the balloting process for the final amendment.	Issue an IFRS Amendment in March 2020
Provisions—Targeted Improvements	To develop proposals for three targeted improvements to IAS 37: (i) aligning the IAS 37 liability definition and requirements for identifying liabilities with the <i>Conceptual Framework</i> ; and (ii) clarifying two aspects of the measurement requirements.	In January 2020, the Board decided to add to its work plan a project to amend three targeted aspects of IAS 37.	Decide project direction (no date yet set)
Updating a Reference to the Conceptual Framework (Amendments to IFRS 3)	To consider whether and how to update a reference to the old version of the <i>Conceptual Framework</i> in IFRS 3 <i>Business Combinations</i> with a reference to the revised version issued in 2018.	In January 2020, the Board gave permission to begin the balloting process for the final amendment.	Issue an IFRS Amendment in April 2020

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

Section 4—Current IFRS Taxonomy projects

Project	Objective	Project status	Next steps
IFRS Taxonomy Update—Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	To consider changes to the IFRS Taxonomy to reflect the disclosure requirements introduced by <i>Interest Rate Benchmark Reform</i> (Amendments to IFRS 9, IAS 39 and IFRS 7)	Update is being balloted.	Issue IFRS Taxonomy Update in March 2020