

2020 Agenda Consultation— Planning for the Request for Information

Due Process Oversight Committee (DPOC)

February 2020

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Agenda Paper 1C

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

The objective of this session is to update the DPOC on the approach to developing a *Request for Information* for the Board's 2020 Agenda Consultation

The 2020 Agenda Consultation culminates in the Board's 2022–26 work plan

☞ 'The IASB must keep the Trustees informed, through the DPOC, of its five-yearly consultation and how the IASB expects to respond to the input it has received.'

—Paragraph 4.5 of the *Due Process Handbook**

☞ 'The IFRS Foundation's *Constitution* gives the IASB full discretion in developing and pursuing its technical programme and in organising the conduct of its work.'

—Paragraph 1.2 of the *Due Process Handbook**

* There are no proposed amendments to these provisions in the Due Process Handbook revision process.

Agenda

- Background to the 2020 Agenda Consultation
- Approach to the 2020 Agenda Consultation
- Summary of pre-RFI outreach

Background to the 2020 Agenda Consultation

Purpose of Agenda Consultation

‘to seek feedback’

1

Strategic direction and balance of work plan

2

Criteria for assessing which projects to add

3

Priority of financial reporting issues

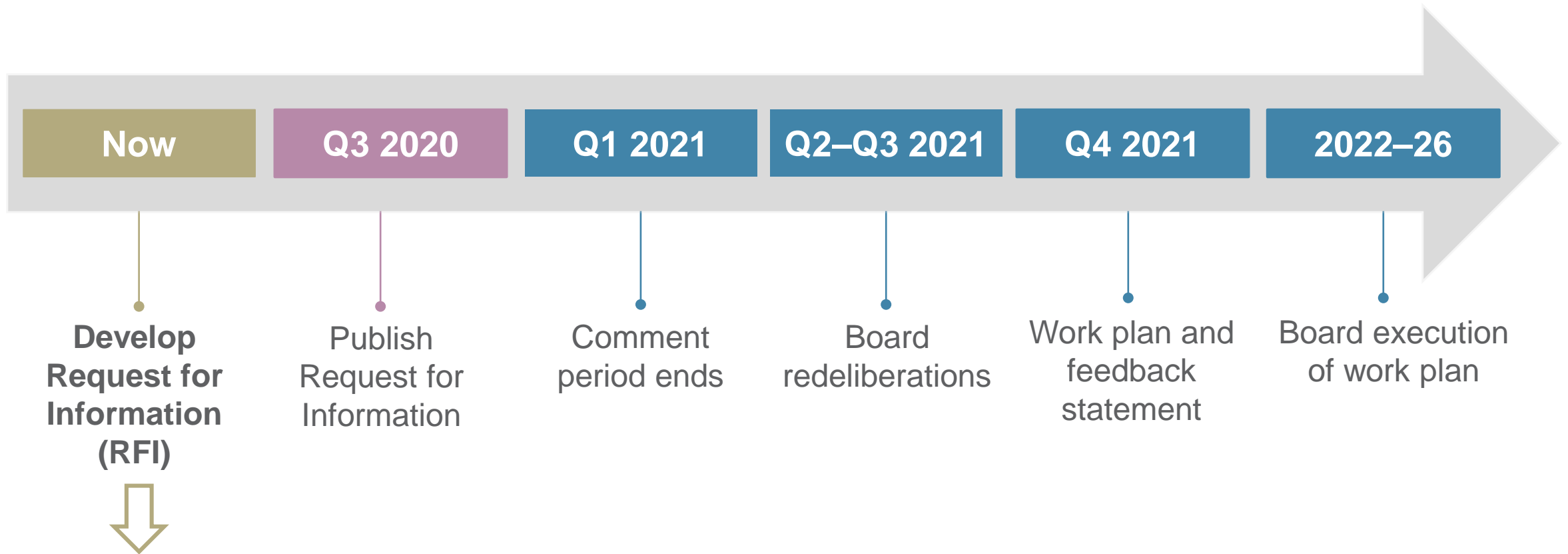


Individual projects may be added to the work plan after the agenda consultation.

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.

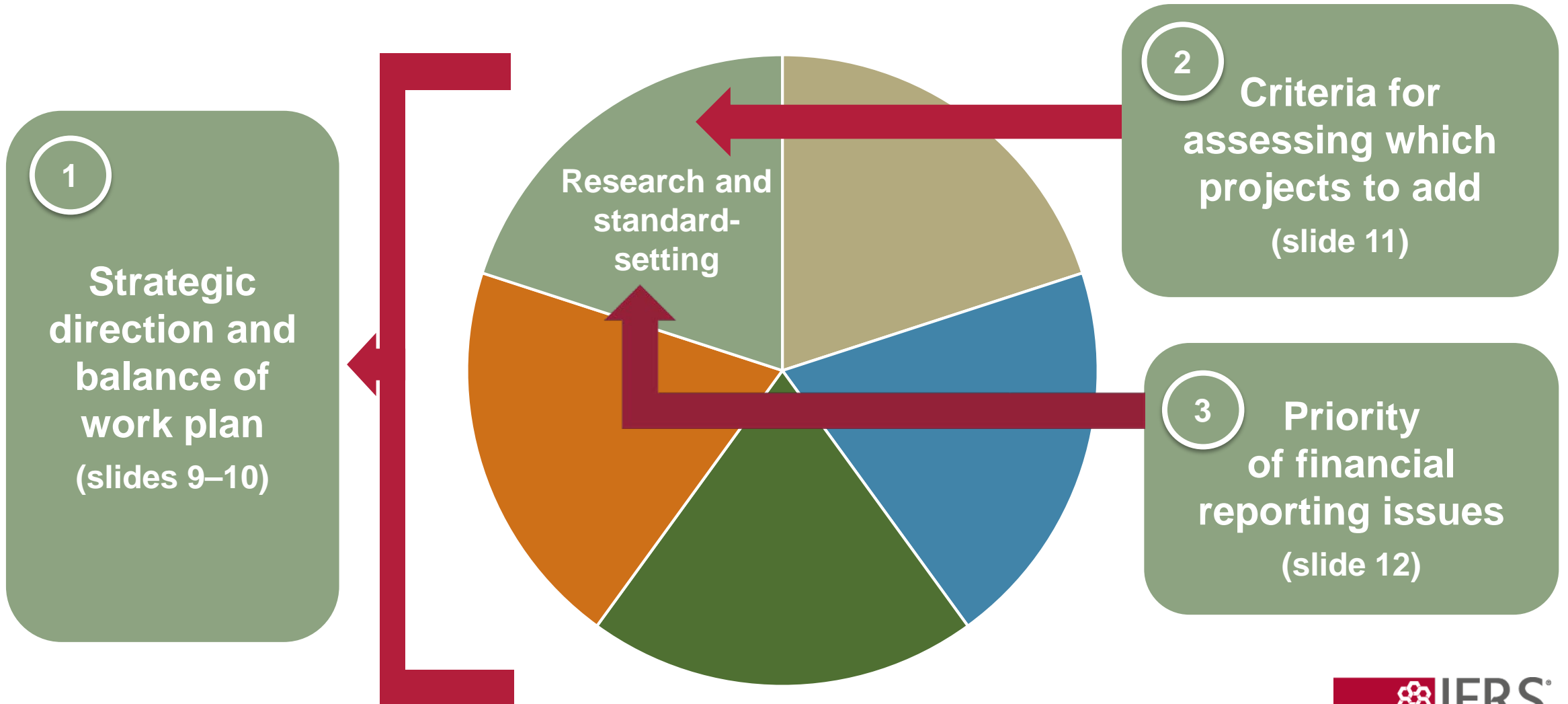
Timeline



- Slides 8-12 reflect the staff’s preliminary thinking about the approach to the 2020 Agenda Consultation.
- The Board expects to discuss the contents of the RFI at its public March and April 2020 meetings.

Approach to the 2020 Agenda Consultation

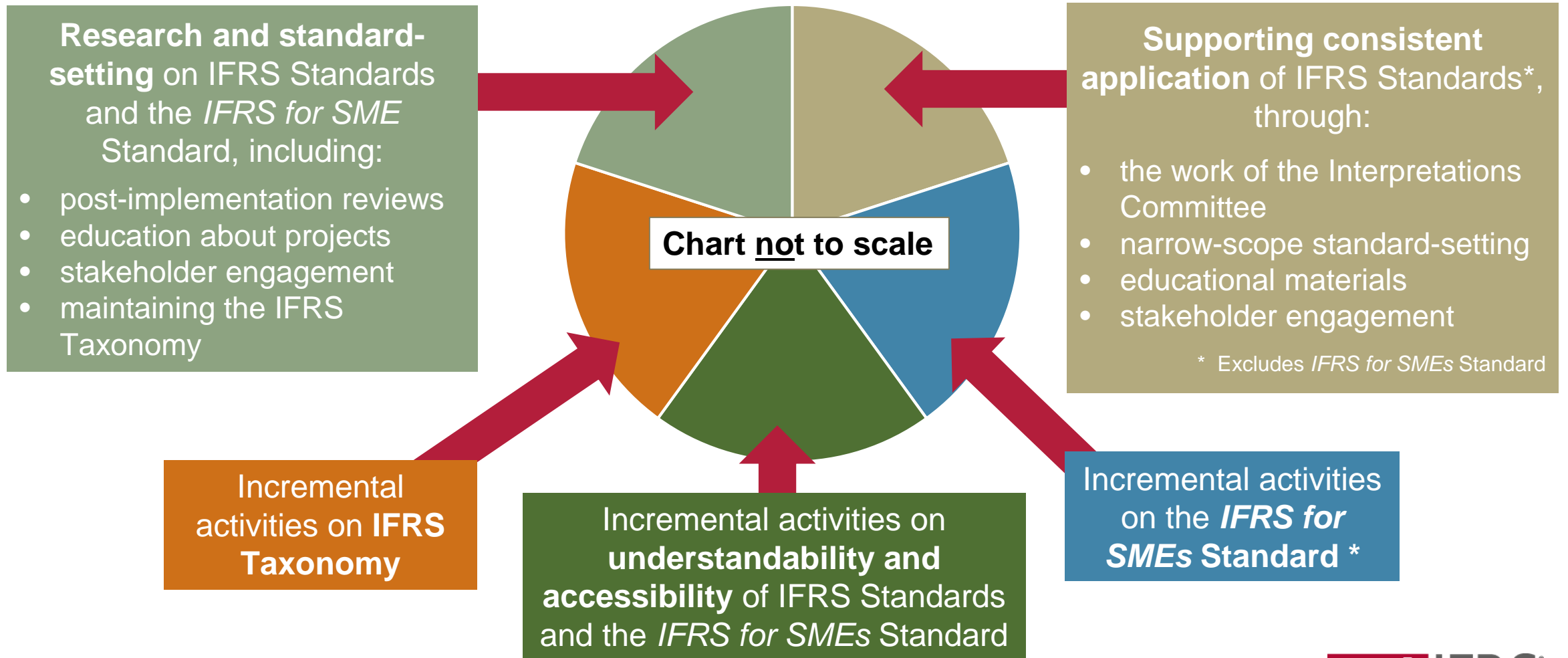
The RFI will focus on three areas



1 Strategic direction and balance of work plan

- The Board must allocate its resources across many activities.
- The RFI will ask stakeholders how much focus the Board should give the primary activities within its remit (shown on slide 10).
- These primary activities require a trade-off with each other in determining the overall balance of the Board's activities.
- Feedback to the RFI will help define the balance of the Board's primary activities for 2022–26.

'Standard-setting is more than developing Standards...'



Note: the *IFRS for SMEs* Standard is not applied by publicly listed entities.

- The Board will need to prioritise the **research and standard-setting** issues identified by stakeholders.
- The Board will use specified criteria to assess which projects to add.
- The range and subjectivity of any specified criteria means prioritising topics on the work plan can never be a science.
- Nonetheless, the Board will ask in the RFI whether the identified specified criteria are appropriate.

Possible criteria

- importance of the issue to users
- a deficiency in the way the type of transaction or activity is reported
- the types of entities likely to be affected, including whether the matter is more prevalent in some jurisdictions
- how pervasive or acute the issue is likely to be for entities
- interaction with other projects
- complexity and feasibility of project and solutions
- capacity of the Board and its stakeholders to ensure timely progress of project

- The 2020 Agenda Consultation will enable the Board to prioritise the financial reporting topics to add to its work plan on **research and standard-setting** projects.
- Stakeholder feedback on the RFI will help the Board prioritise these topics.
- At its September 2019 meeting, the Board expressed support for conducting pre-RFI outreach to identify topics stakeholders are likely to raise.
- The RFI will describe those topics so stakeholders have sufficient information to provide helpful feedback to the Board. The description will include the problem definition, why it is important and who will be affected.
- Respondents to the RFI will be able to identify and comment on topics not covered in the RFI.

Summary of pre-RFI outreach



Questions
discussed

1. New financial reporting topics likely to arise in the consultation

2. High-level messages to consider in the agenda consultation process

We consulted the ...	in ...
IFRS Advisory Council	September 2019
Global Preparers Forum	October 2019
Capital Markets Advisory Committee	October 2019
IFRS Interpretations Committee	November 2019
Emerging Economies Group	December 2019
Accounting Standards Advisory Forum	December 2019
Investors in Financial Reporting Programme	November 2019 – January 2020
International Organization of Securities Commissions	February 2020

1. New topics likely to arise in the consultation

The following are the new topics most commonly identified by stakeholders during the pre-RFI outreach:

1. Borrowing costs
2. Issues relating to cash flows
3. Cost of sales and classification of expenses
4. Cryptocurrency, commodities and other investments
5. Discount rates, including negative interest rates
6. Employee benefits
7. Going concern
8. Income taxes
9. Inflation and foreign currency
10. Intangibles
11. Operating segments
12. Other comprehensive income
13. Separate financial statements
14. Transactions and contributions from owners, suppliers and government

2. High-level messages

Stakeholders that participated in the pre-RFI outreach also provided some high-level messages for the Board to consider during the agenda consultation process.

Stakeholders need information about the Board's capacity to provide effective feedback about how the Board should prioritise its activities and projects

Build flexibility into the 2022–26 work plan to address urgent issues as they arise

Preparers still favour a stable platform having undergone significant efforts to implement recently issued Standards

Prioritise completing existing projects and post-implementation reviews in 2022–26

Do you have any comments or questions on the approach to the 2020 Agenda Consultation?

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