

AGENDA PAPER

IFRS® Foundation Trustees meeting – Due Process Oversight Committee

Video conference June 2020

Agenda ref 1B

CONTACT Henry Rees

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 February to May 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 6–51). This part of the report informs the DPOC about the following matters that occurred during the period:
 - (i) Standard-setting due process documents published (paragraph 6);
 - (ii) Interpretations Committee agenda decisions published (paragraph 7);
 - (iii) IFRS Taxonomy due process documents published (paragraphs 8–9);
 - (iv) Responding to the covid-19 pandemic (paragraphs 10–25); and
 - (v) Other due process deliberations and decisions in the period (paragraphs 26–51).

- (b) Other matters occurring during the period for the attention of the DPOC (paragraphs 52–59). 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 60).
- (d) Changes in the Board’s Work Plan in the period (paragraph 61).
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 May 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 published

6. The following table lists the standard-setting due process documents published in the period together with the date that the Board paper summarising the due process steps taken in developing that due process document was:
- approved by the Board to confirm that all necessary due process steps to date on the project had been completed; and
 - reported to the DPOC (via the pre-board meeting email).

Due process document	Published	Due Process Stage	Due Process Steps	
			Approved by Board ¹	Reported to DPOC
Business Combinations—Disclosures, Goodwill and Impairment (Goodwill and Impairment project)	March 2020	Discussion Paper	July 2019	18 July 2019
Interest Rate Benchmark Reform—Phase 2 (Proposed amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	April 2020	Exposure Draft	February 2020	21 February 2020
Covid-19-Related Rent Concessions (Proposed amendment to IFRS 16)	April 2020	Exposure Draft	April 2020	15 April 2020
Classification of Liabilities as Current or Non-current—Deferral of Effective Date (Proposed amendment to IAS 1)	May 2020	Exposure Draft	April 2020	15 April 2020
Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)	May 2020	IFRS Amendment	December 2019	9 December 2019
Reference to the Conceptual Framework (Amendments to IFRS 3)	May 2020	IFRS Amendment	January 2020	23 January 2020

¹ Paragraphs 6.22–6.24 and 6.6 of the *Due Process Handbook* set out the due process requirements for the Board when publishing a new or amended Standard and an Exposure Draft, respectively. Before publishing 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 Discussion Paper.

Property, Plant and Equipment—Proceeds before Intended Use (Amendments to IAS 16)	May 2020	IFRS Amendment	October 2019	17 October 2019
Annual Improvements to IFRS Standards 2018–2020	May 2020	IFRS Amendment	December 2019	9 December 2019
Covid-19-Related Rent Concessions (Amendment to IFRS 16)	May 2020	IFRS Amendment	May 2020	13 May 2020

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
Translation of a Hyperinflationary Foreign Operation—Presenting Exchange Differences (IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> and IAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>)	March 2020	September 2019	March 2020
Cumulative Exchange Differences before a Foreign Operation becomes Hyperinflationary (IAS 21 and IAS 29)	March 2020	September 2019	March 2020
Presenting Comparative Amounts when a Foreign Operation first becomes Hyperinflationary (IAS 21 and IAS 29)	March 2020	September 2019	March 2020
Training Costs to Fulfil a Contract (IFRS 15 <i>Revenue from Contracts with Customers</i>)	March 2020	September 2019	March 2020
Multiple Tax Consequences of Recovering an Asset (IAS 12 <i>Income Taxes</i>)	April 2020	November 2019	April 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 published

8. The following table lists the IFRS Taxonomy due process documents published 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
IFRS Taxonomy Update—Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	March 2020	Ballot Draft approved in March 2020	IFRS Taxonomy files reviewed in March 2020
Proposed IFRS Taxonomy Update—Covid-19-Related Rent Concessions (Amendment to IFRS 16)	May 2020	Ballot Draft approved in May 2020	Ballot draft reviewed in May 2020

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.

Responding to the covid-19 pandemic

Supporting application of IFRS Standards

10. Since the start of the covid-19 pandemic the Foundation and the Board have monitored developments to keep abreast of any emerging resulting accounting questions to be able to respond appropriately as needed. This has included maintaining dialogue with the securities and prudential regulators, the large accounting firms and national-standard setters. For example, the Foundation and the Board have worked in close cooperation with regulators and others regarding the application of IFRS 9 *Financial Instruments* throughout the pandemic.
11. In the light of emerging questions in practice, two educational documents were published to support the consistent application of IFRS Standards. The first (in March) highlights requirements in IFRS 9 *Financial Instruments* that are relevant for entities considering how the pandemic affects their accounting for expected credit losses. The second (in April) highlights requirements within IFRS 16 *Leases* and other IFRS Standards that are relevant for entities considering how to account for rent concessions granted as a result of the covid-19 pandemic. Neither document changes, removes, or adds to the requirements in IFRS Standards.
12. Both documents were developed in accordance with paragraphs 6.42–6.45 of the *Due Process Handbook* and, accordingly, were reviewed by three Board members.

Covid-19-Related Rent Concessions (an amendment to IFRS 16)

13. Further to and complementing the educational material on IFRS 16 *Leases*, the Board issued *Covid-19-Related Rent Concessions*, an amendment to IFRS 16, on 28 May. The amendment gives timely relief to lessees when applying IFRS 16 to covid-19-related rent concessions, such as rent holidays and temporary rent reductions, while still enabling them to provide useful information about their leases to investors. The amendment exempts lessees from having to consider whether particular covid-19-related rent concessions are lease modifications in IFRS 16, allowing them to elect to account for these changes as if they were not lease modifications.
14. The Board has responded quickly to provide support to stakeholders at this difficult time. The amendment follows the Exposure Draft, which was published on 24 April. This had an unusually short comment period of 14 days, which the DPOC considered at its meeting on 16 April and which was subsequently approved by the Trustees at their meeting on 17 April in accordance with paragraph 6.8 of the *Due Process Handbook*.
15. Despite the short comment period, the Board received 112 comment letters on the Exposure Draft, which it discussed at a specially convened Board meeting on 15 May. During the comment period, as discussed with the DPOC, the staff also undertook eight outreach meetings with investors and analysts or their representative groups. The final amendment is consistent with the proposals in the Exposure Draft except that it extends the time period for capturing concessions covered by the relief from payment

reductions in the period until 31 December 2020 to payment reductions in the period until 30 June 2021. The Board also added another disclosure requirement to assist users of financial statements given the optionality introduced by the amendment.

16. Although almost all respondents expressed support for the Exposure Draft, many requested the Board reconsider its decision not to provide similar relief to lessors. The Board carefully considered this feedback but concluded there was insufficient justification to develop an exemption for lessors. The Board acknowledged that lessors face challenges as a result of the covid-19-pandemic. But it noted many other companies face challenges as a result of the covid-19-pandemic—being exposed to challenges in itself is not sufficient justification for standard-setting. The Board also noted the lessee amendment could not simply be extended to lessors given that the lessee and lessor accounting models in IFRS 16 are not symmetric. A major advantage of the lessee amendment (which relies on existing recognition and measurement requirements in IFRS 16) is its simplicity—this also enabled the Board to act quickly. In the case of lessor accounting, to ensure that comparable information would be provided to investors the Board would have needed to develop additional recognition and measurement requirements. Furthermore, the Board concluded that existing lessor requirements provide useful information to users about covid-19-related rent concessions.
17. At its 15 May meeting, the Board also confirmed it was satisfied that it had complied with applicable due process requirements to issue the amendment.

Reconsidering timelines

18. Despite the challenges arising from the covid-19 pandemic, the Board continues to advance time-sensitive projects. In particular, the projects on IBOR reform and the amendments to IFRS 17 *Insurance Contracts* continue to proceed in accordance with the original project plans—see paragraphs 26–40 and 41–44 below, respectively.
19. Nonetheless, the Board recognises that the covid-19 pandemic poses many challenges to its stakeholders and therefore it considered whether Stakeholders require any additional time to:
 - (a) implement new requirements (ie modify effective dates of newly issued or forthcoming requirements); and
 - (b) respond effectively to consultation documents.

Modifying effective dates

20. On 4 May, the Board published an Exposure Draft proposing to delay by one year the effective date of some narrow-scope amendments to IAS 1 *Classification of Liabilities as Current or Non-Current*. This delay is intended to provide companies with more time to implement any classification changes resulting from these amendments issued in January 2020. Given the desire to provide clarity to stakeholders as soon as possible about the effective date, the Exposure Draft has a 30-day comment period, as approved by the DPOC at its meeting on 16 April.

21. The Board confirmed it was satisfied that it had complied with applicable due process requirements to publish the Exposure Draft at its supplementary Board meeting in April. The Board will consider the comment letters in June and expects to issue any final amendment in July.
- Modifying project timelines*
22. In April, as reported at the Trustees meeting on 17 April, the Board decided to extend the consultation period of the following open consultation documents by approximately three months:
- (a) Exposure Draft on the Primary Financial Statements Project (*General Presentation and Disclosures*)—to 30 September;
 - (b) Request for Information *Comprehensive Review of the IFRS for SMEs* Standard—to 27 October; and
 - (c) Discussion Paper on the Goodwill and Impairment project (*Business Combinations—Disclosures, Goodwill and Impairment*)—to 31 December.
23. The Board also decided to delay the publication of other planned major consultations documents as follows:
- (a) Discussion Paper on the Business Combinations under Common Control project—by three months (to September—see paragraphs 45–48)
 - (b) Exposure Draft on the Rate-regulated Activities project—by two months (to October)
 - (c) Request for Information on the Post-implementation Review of IFRSs 10, 11 and 12—by five months (to December—see paragraphs 52–54)
 - (d) Request for Information on the Agenda Consultation—by six months (to March 2021—see paragraphs 55–56)
 - (e) Exposure Draft on the Disclosure Initiative—Targeted Standards-Level Review of Disclosures project—by six months (to March 2021).
24. In addition, the publication of several narrow-scope amendments to IFRS Standards, originally planned for March and April, was delayed until May. The consolidation of publications was intended to facilitate more efficient post-publication procedures by our stakeholders.
25. Because of the uncertainty and evolving nature of the crisis, the Board will continue to monitor the situation and consider whether further changes to its timelines will be necessary.

Other due process deliberations and decisions in the period

Amendments to IFRS 17

26. During the period, the Board has completed its discussions of the matters raised by respondents on the amendments to IFRS 17 *Insurance Contracts* proposed in the Exposure Draft published in June 2019. The Board is currently finalising the amendments and has tentatively decided that IFRS 17 (incorporating the amendments) will be effective on 1 January 2023, thus extending the original effective date by two years.
27. As previously reported, the 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 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.

Recent Board discussions

28. At its February and March meetings, the Board considered the remaining seven of the 19 topics that it decided it would consider in the redeliberations of the Exposure Draft (the Board considered the other 12 topics at its December 2019 and January 2020 meetings as previously reported). Five of the 19 topics were ones the Board had considered in developing the Exposure Draft but for which it decided not to propose any amendments to IFRS 17.
29. For three of these seven topics discussed in the period, the Board tentatively confirmed the proposals in the Exposure Draft, with some clarifications or minor changes, or confirmed its decision to retain unchanged the requirements in IFRS 17. With respect to the other four topics, the Board tentatively decided to:
 - (a) add further specific simplifications that entities can use when applying the Standard for the first time;
 - (b) extend the use of the risk mitigation option;
 - (c) defer the effective date of IFRS 17 by two years from the original date to 2023—rather than by one year as proposed in the Exposure Draft—to enable insurers around the world to implement the new Standard at the same time;
 - (d) extend by two years—rather than by one year as proposed in the Exposure Draft—the exemption currently in place for some insurers regarding the application of IFRS 9 *Financial Instruments* to enable them to implement both IFRS 9 and IFRS 17 at the same time.
30. At its February meeting, the Board also considered the new concerns and implementation questions raised by respondents since the Exposure Draft was published. The Board decided to amend IFRS 17 to resolve a contradiction within the Standard relating to accounting for some income tax amounts.

Annual cohort requirement

31. Included in the topics for which the Board decided to retain unchanged the requirements in IFRS 17 is the annual cohort requirement. This requirement—which specifies that contracts issued more than 12 months apart cannot be grouped together—has been the cause of much debate since IFRS 17 was issued. The Board continues to believe that the requirement is essential to ensure that aggregation of insurance contracts is not so great as to make insurers' performance reporting meaningless. Without the requirement profits and losses from different generations of contracts could be co-mingled and essentially averaged across time. This would mask information about changes in profitability over time, with profits being anticipated or deferred rather than being recognised as earned, and the losses from onerous contracts being delayed.
32. The point of debate in the recent redeliberations has been around the application of the annual cohort requirement to contracts that share risks across generations of policyholders (also sometimes called mutualisation). Some stakeholders argue that the annual cohort requirement fails to reflect the nature of the sharing of risk in such contracts, results in arbitrary allocations or fails the cost-benefit test.
33. The staff analysed these concerns in detail over several months and, based upon that analysis, the Board considered carefully all these concerns. It concluded that the intergenerational sharing of risks is not by itself sufficient to make the annual cohort requirement unnecessary. In fact, the requirement results in useful information for users of financial statement about the risks the insurer retains (for example, from minimum return guarantees) and the mutualisation of returns between contracts.
34. On the question of cost-benefit, the Board acknowledged that there is a limited sub-population of contracts with specific features for which the balance of costs and benefits could be open to question, although it noted this population is significantly smaller than suggested by stakeholders. However, it proved impossible to identify this population in a way that would be sufficiently robust for the purposes of considering any exemption from the requirement. In short, the Board decided that given that there is a spectrum of products, attempting to draw a clear and defensible line within that spectrum and justifying the unavoidable cliff effects created by such a line was on balance not appropriate. In addition, the Board concluded that any exemption would add further complexity to the Standard and would involve too great a risk of losing important information.
35. Given the importance of this topic to some stakeholders, in April the Chair of the Board published an article on the website to explain the Board's position.

Evaluating the package of amendments as a whole and due process considerations

36. At its March meeting, after completing considerations of the individual topics, the Board considered the package of amendments as a whole.
37. The Board evaluated each of its tentative decisions against the criteria the Board originally set in this project and confirmed that the amendments would neither:

- (a) change the fundamental principles of IFRS 17 resulting in a significant loss of useful information for users of financial statements relative to that which would otherwise result from applying the requirements in IFRS 17 as originally issued; nor
 - (b) unduly disrupt implementation processes already under way or risk undue delays in the effective date of IFRS 17.
38. The Board considered an updated assessment of the likely effects of all the amendments compared to the requirements in IFRS 17 as originally issued. The project summary to be published alongside the final amendments will include a summary of the likely effects for each amendment.
39. The Board considered the due process steps undertaken by the Board in completing the narrow-scope project on the amendments to IFRS 17 and concluded that:
- (a) re-exposure of the amendments is not necessary; and
 - (b) the Board had complied with the applicable due process requirements to start the balloting process of the amendments to IFRS 17.
40. The Board expects to issue the amendments to IFRS 17 as planned towards the end of June.

IBOR Reform and its Effects on Financial Reporting

41. At its February meeting, the Board confirmed that it had complied with the applicable due process requirements to start the balloting process to publish the Exposure Draft *Interest Rate Benchmark Reform—Phase 2*. The Exposure Draft was subsequently published in April with a shortened comment period of 45 days as approved by the DPOC at its February meeting.
42. As previously reported, the Exposure Draft represents the second phase of the Board's project on the effects of interest rate benchmark reform on an entity's financial statements. The proposed amendments aim to assist entities but ensure that investors continue to receive useful information when changes are required to be made to contracts and hedging relationships as existing interest rate benchmarks are replaced with alternative benchmark rates.
43. Specifically, the main proposals relate to:
- (a) modifications—an entity would not derecognise or adjust the carrying amount of financial assets and financial liabilities and lease liabilities for modifications required by interest rate benchmark reform, but would instead update the effective interest rate to reflect the change in the interest rate benchmark;
 - (b) hedge accounting—an entity would not discontinue its hedge accounting solely because of replacing the interest rate benchmark if the hedge meets other hedge accounting criteria; and

- (c) disclosures—an entity would disclose information about new risks arising from the interest rate benchmark reform and how it manages the transition to alternative benchmark rates.
44. The staff and Board are working to an accelerated timeline given the urgency of this project. The staff provided an oral overview of the feedback at the May Board meeting and the Board will consider detailed analysis in June. The final amendments are expected to be issued in the third quarter.

Business Combinations under Common Control

45. At its February meeting, the Board confirmed that it had complied with the applicable due process requirements to start the balloting process to publish a Discussion Paper for the Business Combinations under Common Control project.
46. As reported at previous meetings, the objective of this project is to 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.
47. To address this diversity, the Board has 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.
48. The Board plans to set the comment period for the Discussion Paper at a future meeting. It expects to publish it in the third quarter. As noted in paragraph 23, publication is being delayed to assist stakeholders affected by the covid-19 pandemic.

Narrow-scope and other amendments

Lease Liability in a Sale and Leaseback

49. At its May meeting, the Board confirmed that it had complied with the applicable due process requirements to start the balloting process to publish an Exposure Draft proposing a narrow-scope amendment to IFRS 16 *Leases*.
50. The proposed amendment arises from a recommendation from the Interpretations Committee. It would enhance the sale and leaseback requirements in IFRS 16 by specifying how a seller-lessee applies the subsequent measurement requirements in IFRS 16 to the lease liability that arises in a sale and leaseback transaction.
51. The Exposure Draft will have a comment period of 120 days in accordance with paragraph 6.7 of the *Due Process Handbook*. The Exposure Draft is expected to be published in the third quarter.

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

Technical projects

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

52. In January, the staff completed 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*). At its April meeting, the Board discussed the findings of the outreach, which included approximately 20 meetings with the Interpretation Committee, the IASB’s consultative bodies and different groups of stakeholders, including regulators.
53. The Board decided to publish a Request for Information and approved the list of the topics to be addressed in it. Following the Board’s decision to adjust some of its timelines to assist stakeholders during the covid-19 pandemic, publication of the Request for Information is now expected in the fourth quarter.
54. The feedback from the first phase identified:
 - (a) stakeholders expressed support for the principles of IFRS 10. However, some stakeholders said applying the requirements to complex fact patterns requires significant judgement, which may not result in consistent outcomes.
 - (b) application challenges on the classification of joint arrangements and the requirements for joint operations in IFRS 11. The feedback on IFRS 11 has the same focus as submissions to the Interpretations Committee.
 - (c) stakeholders had few comments regarding IFRS 12. Some suggested amendments to enhance the detail of the disclosures that entities provide when applying the Standard, while other stakeholders think some of the disclosure requirements are superfluous.

2020 Agenda Consultation

55. At the February DPOC meeting, the staff informed the DPOC of the planned approach to developing a Request for Information for the Board’s 2020 Agenda Consultation. The DPOC noted in discussion that the approach was focused on the Board’s current remit and capacity, and that this might be influenced by the Trustees’ strategic decisions, including those arising from its review of strategy and effectiveness.
56. The staff will consider the DPOC’s input in developing recommendations on the content of the Request for Information for Board discussion at a future meeting. As a result of the covid-19 pandemic, the Board has postponed its plans to publish the Request for Information to March 2021. This is to ensure stakeholders will be able to invest the time to respond effectively and also to allow them to consider the effects, if any, of covid-19 on financial reporting priorities. The revised timing is still within the timeframe contemplated by the *Due Process Handbook*.

Consistent application

Interpretations Committee

57. The Interpretations Committee met in March and April and published two tentative agenda decisions and five final agenda decisions, which include material explaining the application of IFRS Standards to support their consistent application. At its April meeting, the Committee also received a summary of research and outreach on a request about supply chain financing arrangements. It will continue its discussion on this matter at its June meeting.
58. At the close of the April meeting, there were no submissions from stakeholders that had not yet been considered by the Interpretations Committee.
59. In April, the second compilation of agenda decisions was published. This compilation brought together agenda decisions finalised between October 2019 and March 2020, organised by topic.

Agenda paper compliance report⁴

60. In the period February to May 2020, all agenda papers discussed by the Board and the Interpretations Committee were made available on the public website unaltered. Five Board papers were posted after the posting deadline in the period as follows:
 - (a) April and May 2020: IFRS 16 and covid-19—agenda paper 32B (April), agenda papers 32A, 32B and 32C (May). The shortened time period between the posting of these papers and the specially convened supplementary Board meetings was necessary to expedite issuing the amendment by the end of May.
 - (b) May 2020: Amendments to IFRS 17—agenda paper 2A. This was a supplementary paper discussing an additional sweep issue from the review of the draft amendments.

Changes in the Board's Work Plan in the period

61. Appendix A details *changes* in the Board's Work Plan in the period February to May 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 February to May 2020

Description	Next milestone	Original forecast for next milestone	Expected date for next milestone		Explanation of changes in expected dates
			as at 31 January 2020	as at 31 May 2020	
Research Projects					
Business Combinations under Common Control	Discussion Paper	H1 2018	Q2 2020	Q3 2020	Publication of DP delayed because of the covid-19 pandemic (see paragraph 23) (Previous changes arose in 2018 on detailed review of plan and in 2019 in light of the status of deliberations and remaining topics to be discussed)
Dynamic Risk Management	Core Model Outreach	H1 2019	Q2 2020	Q4 2020	Outreach delayed because of the pandemic to ensure banks have time to consider the outreach materials and provide high-quality responses (Previous change because of reallocation of staff to IBOR Reform)
Goodwill and Impairment	Discussion Paper Feedback	n/a	n/a	H1 2021	Discussion Paper published in March as expected Date for next milestone set in period
Post-implementation Review of IFRS 10, IFRS 11 and IFRS 12	Publish RFI	n/a	n/a	Q4 2020	New milestone in period Publication of RFI delayed because of pandemic (see paragraph 23)
Standard-setting Projects					
Rate-regulated Activities	Exposure Draft	H2 2019	H2 2020	H2 2020	Publication of ED delayed because of the pandemic (see paragraph 23)

Appendix A—Changes in the Work Plan in the period February to May 2020

Description	Next milestone	Original forecast for next milestone	Expected date for next milestone		Explanation of changes in expected dates
			as at 31 January 2020	as at 31 May 2020	
Maintenance Projects					
Accounting Policies and Accounting Estimates (Amendments to IAS 8)	IFRS Amendment	n/a	n/a	Q4 2020	Date set in period
Accounting Policy Changes (Amendments to IAS 8)	Decide project direction	n/a	n/a	June 2020	Date set in period
Annual improvements to IFRS Standards 2018–2020	IFRS Amendment	April 2020	April 2020	n/a	Project completed in period—IFRS Amendment issued in May 2020 (publication delayed because of the pandemic, see paragraph 24)
Classification of Liabilities as Current or Non-current—Deferral of Effective Date (Amendments to IAS 1)	Exposure Draft Feedback	n/a	n/a	June 2020	Project added to Work Plan in period
Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)	Decide project direction	n/a	n/a	No date set	New milestone in period
Disclosure Initiative—Accounting Policies	IFRS Amendment	n/a	n/a	Q4 2020	New milestone in period
Disclosure Initiative—Targeted Standards-level Review of Disclosures	Exposure Draft	H2 2020	H2 2020	H1 2021	Publication of ED delayed because of the pandemic (see paragraph 23)
IBOR Reform and its Effects on Financial Reporting—Phase 2	Exposure Draft Feedback	n/a	n/a	June 2020	Exposure Draft published as expected in April Date for next milestone set in period

Appendix A—Changes in the Work Plan in the period February to May 2020

Description	Next milestone	Original forecast for next milestone	Expected date for next milestone		Explanation of changes in expected dates
			as at 31 January 2020	as at 31 May 2020	
IFRS 16 and covid-19	IFRS Amendment	n/a	n/a	n/a	Project added to Work Plan in period and completed as expected in May
Lease Liability in a Sale and Leaseback	Exposure Draft	n/a	n/a	Q3 2020	Project added to Work Plan in period
Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)	IFRS Amendment	Q2 2020	Q2 2020	n/a	Project completed in period—IFRS Amendment issued in May 2020 (publication delayed because of the pandemic, see paragraph 24)
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	IFRS Amendment	March 2020	March 2020	n/a	Project completed in period—IFRS Amendment issued in May 2020 (publication delayed because of the pandemic, see paragraph 24)
Updating a Reference to the Conceptual Framework (Amendments to IFRS 3)	IFRS Amendment	April 2020	April 2020	n/a	Project completed in period—IFRS Amendment issued in May 2020 (publication delayed because of the pandemic, see paragraph 24)
Other Projects					
Agenda Consultation	Publish RFI	H2 2020	H2 2020	H1 2021	Publication of RFI delayed because of the pandemic (see paragraph 23)
IFRS Taxonomy Update—Covid-19-Related Rent Concessions (Amendment to IFRS 16)	Proposed IFRS Taxonomy Update feedback	n/a	n/a	July 2020	Project added to Work Plan in period
IFRS Taxonomy Update—Amendments to IFRS 17 and IAS 16	Proposed IFRS Taxonomy Update	n/a	n/a	July 2020	Project added to Work Plan in period
IFRS Taxonomy Update—Common Practice (IAS 19 Employee Benefits)	Proposed IFRS Taxonomy Update	n/a	n/a	Q3 2020	Project added to Work Plan in period

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

Section 1—Research projects

Business Combinations under Common Control (see paragraphs 45–48 of this report)

Current status	Active research project—last Board discussion February 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 step	Publish a Discussion Paper in Q3 2020 (DP currently being drafted)	

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 published in 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 step	<p>Core Model Outreach in Q4 2020</p> <p>The Board is developing a core model which will be discussed with stakeholders before developing a second Discussion Paper. Given the covid-19 pandemic, the outreach has been postponed to Q4 to allow sufficient time for banks to consider the outreach materials and provide high-quality responses, with a target of providing feedback to the Board by December 2020.</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
	CMAC	March 2019
	GPF	None
	Other	Emerging Economies Group—December 2019
Next due process step	Review research in June 2020	

Financial Instruments with Characteristics of Equity

Current status	Active research project—last Board discussion April 2020	
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 published in 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 2020
	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 step	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 Discussion Paper currently open for comment	
Project Objective (revised July 2018)	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 To explore whether it is possible to simplify the accounting for goodwill by: (a) exploring possible relief from the mandatory annual quantitative impairment test of goodwill; and (b) exploring whether to reintroduce amortisation of goodwill To explore two targeted improvements to the calculation of value in use for the impairment test in IAS 36 <i>Impairment of Assets</i>	
Last due process document	Discussion Paper published in March 2020	
Comment letter summary presented to the Board	Not applicable	
Last discussion with consultative groups (this due process stage)	ASAF	April 2020
	CMAC	June 2019 (Joint CMAC/GPF meeting)
	GPF	March 2020
	Other	<ul style="list-style-type: none"> • World Standard-setters Conference—September/October 2019 • Emerging Economies Group—May 2020
Next due process step	Consider Discussion Paper feedback in H1 2021	

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 step	Review research in 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 52–54 of this report)

Current status	Active project—last Board discussion April 2020	
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 step	Publish a Request for Information in Q4 2020	

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

Section 2—Standard-setting projects

Management Commentary

Current status	Active project—last Board discussion May 2020	
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	March 2020
	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 • Emerging Economies Group—May 2020
Next due process step	Publish an Exposure Draft in H2 2020	

Primary Financial Statements

Current status	Active project—last Board discussion November 2019 Exposure Draft currently open for comment	
Project Objective	To improve how information is communicated in the financial statements, with a focus on information in the statement of profit or loss.	
Last due process document	Exposure Draft published in December 2019	
Comment letter summary presented to the Board	Not applicable	
Last discussion with consultative groups (this due process stage)	ASAF	April 2020
	CMAC	March 2020
	GPF	March 2020
	Other	<ul style="list-style-type: none"> • World Standard-setters Conference—September/October 2019 • IFRS Taxonomy Consultative Group—January 2020 • Emerging Economies Group—May 2020
Next due process step	Consider 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 March 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 published in 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 step	Publish an Exposure Draft in H2 2020 (ED in balloting process)	

Disclosure Initiative—Subsidiaries that are SMEs

Current status	Active project—last Board discussion April 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 step	Decide whether to publish a Discussion Paper or Exposure Draft in Q4 2020	

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 October 2020 (extended because of covid-19 pandemic)</p>	<p>Consider Request for Information feedback (no date yet set)</p>
Accounting Policies and Accounting Estimates (Amendments to IAS 8)	<p>To amend IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> to introduce a definition of ‘accounting estimates’ and provide other clarifications to help entities distinguish accounting policies from accounting estimates</p>	<p>In December 2019, the Board gave permission to begin the balloting process for the final amendment</p>	<p>Issue an IFRS Amendment in Q4 2020</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 in June 2020</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	See paragraphs 26–40 of this report	Issue an IFRS Amendment in June 2020
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	Decide project direction (no date yet set)
Classification of Liabilities as Current or Non-current—Deferral of Effective Date (Amendments to IAS 1) <i>New project in period</i>	To defer the effective date of the amendments to IAS 1 issued in January 2020	See paragraphs 20–21 of this report	Consider Exposure Draft feedback in June 2020
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 published an Exposure Draft in July 2019. The comment period ended in November 2019.	Decide project direction (no date set)
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 published an Exposure Draft in August 2019. The Board considered the feedback in May 2020.	Issue an IFRS Amendment in Q4 2020

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

Project	Objective	Project Status	Next steps
Disclosure Initiative—Targeted Standards-level Review of Disclosures	<p>To develop guidance for the Board itself to use when developing and drafting disclosure requirements in IFRS Standards</p> <p>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></p>	<p>The staff is testing the guidance on IAS 19 <i>Employee Benefits</i> and IFRS 13 <i>Fair Value Measurements</i></p> <p>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</p>	Publish an Exposure Draft in H1 2021
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 41–44 of this report.	Consider Exposure Draft feedback in June 2020
Lack of Exchangeability (Amendments to IAS 21)	To specify requirements on the spot exchange rate an entity uses when exchangeability between two currencies is lacking	<p>The Board tentatively decided to amend IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> to address this matter</p> <p>The Board will discuss the effective date and transition requirements for the amendments, as well as the Board’s compliance with applicable due process requirements at a future meeting</p>	Publish an Exposure Draft (no date yet set)
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	To enhance the sale and leaseback requirements in IFRS 16 by specifying how a seller-lessee applies the subsequent measurement requirements in IFRS 16 to the lease liability that arises in a sale and leaseback transaction	See paragraphs 49–51 of this report	Publish an Exposure Draft in Q3 2020

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

Project	Objective	Project Status	Next steps
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 <i>Provisions, Contingent Liabilities and Contingent Assets</i>	Decide project direction (no date yet set)

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—Amendments to IFRS 17 and IAS 16	To consider changes to the IFRS Taxonomy to reflect the disclosure requirements introduced by Amendments to IFRS 17 <i>Insurance Contracts</i> and <i>Property, Plant and Equipment: Proceeds before Intended Use</i> (Amendments to IAS 16)	Proposed IFRS Taxonomy Update is being balloted	Publish Proposed IFRS Taxonomy Update in July 2020
IFRS Taxonomy Update—Covid-19-Related Rent Concessions (Amendment to IFRS 16)	To consider changes to the IFRS Taxonomy to reflect the disclosure requirements introduced by <i>Covid-19-Related Rent Concessions</i> (Amendment to IFRS 16)	Proposed IFRS Taxonomy Update published May 2020	Consider feedback July 2020
IFRS Taxonomy Update—Common Practice (IAS 19 Employee Benefits)	To consider improvements to the IFRS Taxonomy to make it easier to analyse and compare information that entities commonly disclose about employee benefits under IAS 19.	Project was discussed with ITCG at their January meeting	Publish Proposed IFRS Taxonomy Update in Q3 2020