

STAFF PAPER

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IASB® meeting

Project	Work plan
Paper topic	Timing of post-implementation reviews for impairment and hedge accounting requirements of IFRS 9, for IFRS 15 and for IFRS 16
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Purpose of the paper

1. This paper sets out factors for the International Accounting Standards Board (Board) to consider in determining the timing of the post-implementation reviews (PIR) for the impairment and hedge accounting requirements of IFRS 9 *Financial Instruments*, for IFRS 15 *Revenue from Contracts with Customers* and for IFRS 16 *Leases*.
2. The [Due Process Handbook](#) explains that a PIR normally begins after a new IFRS Standard has been applied internationally for two years, which is generally about 30–36 months after the effective date.¹ IFRS 9 and IFRS 15 have been effective for 46 months (ie since 1 January 2018) and IFRS 16 *Leases*, for 34 months (ie since 1 January 2019).
3. In October and November 2020, the Board discussed when to begin the PIRs for IFRS 9 and IFRS 15. At these meetings, the Board decided to begin the PIR of the classification and measurement requirements of IFRS 9 and to consider in the second half of 2021 when to begin the PIRs for the impairment and hedge accounting requirements of IFRS 9 and for IFRS 15 ([Agenda Paper 8B](#) and [Agenda Paper 8](#)).

¹ See Appendix A to this paper for the extract of the post-implementation review section of the *Due Process Handbook*.

Summary of questions for Board members

4. This paper asks Board members:
- (a) for IFRS 9, should the Board:
 - (i) begin the PIR of the impairment requirements in the second half of 2022; and
 - (ii) consider in the second half of 2022 when to begin the PIR of the hedge accounting requirements;
 - (b) for IFRS 15, should the Board begin the PIR in the second half of 2022; and
 - (c) for IFRS 16, should the Board consider in the second half of 2022 when to begin the PIR?

Structure of the paper

5. This paper provides:
- (a) [the objective and process of PIRs](#);
 - (b) [considerations relevant to the timing of the PIRs for impairment and hedge accounting requirements of IFRS 9, for IFRS 15 and for IFRS 16](#);
 - (c) [staff analysis and questions for Board members relating to the timing of the PIR of](#);
 - (i) [the impairment requirements of IFRS 9](#);
 - (ii) [the hedge accounting requirements of IFRS 9](#);
 - (d) [staff analysis and question for Board members relating to the timing of the PIR of IFRS 15](#); and
 - (e) [staff analysis and question for Board members relating to the timing of the PIR of IFRS 16](#).

Objective and process of PIRs

6. A PIR is an opportunity for the Board to assess the effect of a new IFRS Standard or major amendment to a Standard on investors, entities and auditors.
7. In undertaking a PIR, the Board assesses whether:
 - (a) the objectives of the standard-setting project have been met;
 - (b) information provided by the Standard is useful to users of financial statements;
 - (c) the costs arising in preparing, auditing, enforcing, or using information provided by the Standard are broadly as expected by the Board when it developed the Standard; and
 - (d) the requirements are capable of being applied consistently.
8. These assessments help the Board determine what, if any, action it might take relating to the Standard. The findings from a PIR can also be useful input for other standard-setting projects.
9. A PIR is not an opportunity to redeliberate information the Board considered when it developed the new requirements. Rather, a PIR considers new information resulting from the application of those requirements, and from developments in the market since those requirements were issued.
10. Each PIR has two phases. The first phase identifies matters to be examined, which are then the subject of a public consultation (Request for Information). In the second phase, the Board considers the information gathered from the public consultation, any additional analysis and other consultative activities. At the end of the PIR, the Board publishes a Report and Feedback Statement summarising its findings and the steps it plans to take, if any, as a result of the PIR. The next steps may include providing educational materials or undertaking follow-up research work for possible standard-setting, depending on the nature of the topic and the evidence provided by the PIR. A PIR itself is not a standard-setting project.

Considerations relevant to the timing of the PIRs for impairment and hedge accounting requirements of IFRS 9, for IFRS 15 and for IFRS 16

11. Applying the principles in the *Due Process Handbook*, the earliest the PIRs of IFRS 9 and IFRS 15 could have begun is around July 2020–January 2021 and the PIR of IFRS 16, July 2021–January 2022.
12. Some stakeholders have in the past expressed the view that the timeframe indicated by the *Due Process Handbook* may be too short in some circumstances. In 2016, the Trustees of the IFRS Foundation—in their review of the structure and effectiveness of the IFRS Foundation—received feedback on the appropriate amount of time to wait before carrying out a PIR.² The majority of stakeholders that provided such feedback said the two years of application indicated by the *Due Process Handbook* was not long enough and suggested three or four years instead. Most of those stakeholders suggested there be a level of flexibility in timing to take into account the specific circumstances of the Standard.
13. The staff agree that while a PIR should not be unduly delayed, its timing needs to take into account considerations specific to the Standard (for example, the objective of the Standard, the significance of changes introduced by the Standard, the availability of relevant information (such as academic research) and the activities the Board has already undertaken to monitor and support the application of the Standard).
14. To date, the Board has completed three PIRs and has two active PIRs on its work plan.³ Those PIRs began between 3 to 6 years after the effective date of the relevant Standard(s).
15. We also note that the US Financial Accounting Standards Board (FASB) issued Accounting Standards Updates (ASUs) relating to the impairment of financial instruments, revenue recognition and leases at the same time as—or around the time that—the Board issued the impairment requirements of IFRS 9, IFRS 15 and IFRS 16.

² Paragraph F81 of Trustees' *Review of Structure and Effectiveness: Feedback Statement on the July 2015 Request for Views* (June 2016) available at <https://cdn.ifrs.org/content/dam/ifrs/project/2015-trustees-review/request-for-views/educational-materials/feedback-statement-request-for-views.pdf>

³ The PIRs of IFRS 3 *Business Combinations*, IFRS 8 *Operating Segments* and IFRS 13 *Fair Value Measurement* were completed between 2012–2018. The PIR of IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities* and the PIR of the classification and measurement requirements of IFRS 9 *Financial Instruments* began in 2019 and in 2020, respectively, and are active.

The FASB began its PIR processes for those ASUs immediately after their issuance. However, the first stage of the FASB PIR process includes activities the Board does not categorise as being part of a PIR and that are similar to the activities the Board performed after the issuance of IFRS 9, IFRS 15 and IFRS 16. Therefore, the fact that the FASB has begun its PIRs does not necessarily indicate that the Board should begin the PIRs of IFRS 9, IFRS 15 and IFRS 16.

PIR of the impairment and hedge accounting requirements of IFRS 9

16. The main reason the Board decided not to begin the PIR of the impairment and hedge accounting requirements of IFRS 9 in 2020 was because of the availability of information about the effects of application. In this section, the staff analyse whether there is sufficient information available for the Board to undertake the first phase of the PIR, which seeks to identify the matters to examine in the second phase of the PIR.

PIR of the impairment requirements of IFRS 9

Effects of the impairment requirements of IFRS 9

17. The expected credit losses (ECL) model is arguably the most significant change introduced by IFRS 9. Some notable significant changes that were brought about by the ECL model include:
- (a) the introduction of a forward-looking model and a broader range of information required to assess expected credit losses;
 - (b) a dynamic approach that is responsive to changes in expectations and assumptions about credit risk and economic conditions; and
 - (c) improved disclosure about ECL and credit risk.

COVID 19

18. The ECL model was designed to reflect changes in credit risk on a timely basis and IFRS 9 requires entities to adjust their approach to determining ECLs in different circumstances. For the Board to determine whether the ECL model is responsive to

changes in credit risk as intended, it will need data on how the model responded to varying economic conditions.

19. The information about the application of the ECL model during the COVID-19 pandemic and the recovery from it will be highly relevant in assessing how the model responds to changing market conditions, including an economic downturn and recovery. When considering in October 2020 the timing of the PIR of the ECL requirements, the Board noted that while the review of the impairment requirements should not be delayed unduly, beginning the review too early would risk missing useful data that could become available as the pandemic continues to affect economic conditions.

20. Although many economies are yet to fully recover from the pandemic, many of them are starting to see the signs of recovery. For example, advanced and emerging European economies are forecast to expand by 5.2 and 6 percent, respectively, in 2021. As a result, most countries in Europe are projected to regain their 2019 output levels by the end of 2021.⁴ Information about the application of the ECL requirements during the pandemic and the recovery have been and will be provided in the 2020 and 2021 annual reports. The staff think this provides useful information about how the ECL model responds to changing economic environments.

Academic research

21. One source of information used in a PIR is academic research on the application and effects of a new Standard. At present, a small number of academic studies are available on the application and effects of the impairment requirements of IFRS 9.

22. The number of academic studies about the impairment requirements of IFRS 9 has increased since the Board last considered the timing of its PIR in October 2020. At present, there are six working papers and thirteen published academic papers. These studies include seven papers using data from entities applying IFRS 9, one paper using pre-IFRS 9 adoption market reaction data, one experimental paper, one paper using analyst provision forecasts and nine interpretative papers.

⁴ [Regional Economic Outlook for Europe, October 2021 \(imf.org\)](https://www.imf.org/en/Publications/REO/Europe/Issues/2021/10/Regional-Economic-Outlook-for-Europe-October-2021)

23. Papers discussing the effects of IFRS 9 are likely to be submitted to the joint IASB/FASB/The Accounting Review conference in November 2022.

Benchmarking surveys

24. As discussed in Agenda Paper 8B for the October 2020 Board meeting, regulators were expecting the implementation of the ECL requirements to be an ongoing journey and that entities' ECL models and methodologies would evolve for several years after initial application.
25. To date, several benchmarking surveys and reviews have been conducted by various organisations including regulators, accounting firms and credit research/data firms.⁵ These surveys and reviews focus on the effects of applying the ECL model, implementation challenges and the consistency of application including disclosure requirements. In combination with other sources of information discussed in this paper, the staff think they provide useful information for the Board to identify the matters to examine in the PIR.

Disclosures

26. The ECL model introduced extensive new disclosure requirements in IFRS 7 *Financial Instruments: Disclosures*. These disclosure requirements will likely be an important area of focus in the PIR. As mentioned in the October 2020 Board agenda paper, the staff think that the requirements of IFRS 9 will need to have been applied for at least four reporting periods to obtain sufficient information for the Board to perform its review of the disclosures provided by entities. By Q2 2022, four sets of annual reports will be available in many jurisdictions.

Transition Resource Group and IFRS Interpretations Committee

27. The Board provided considerable support for the implementation of the impairment requirements of IFRS 9 after its issuance. In 2015, three meetings of the Transition Resource Group for Impairment of Financial Instruments (ITG) were held to address initial application questions. In addition, the Board has provided a number of educational materials to support the implementation of the impairment requirements.

⁵ For example, see benchmarking surveys and reviews conducted by [Ernst and Young](#), [EBA](#) and [FRC](#).

These activities allowed the Board to actively monitor and support the implementation of IFRS 9 more closely than it had done in the past for other new Standards. As such, the Board has greater awareness of the areas that gave rise to application questions and therefore on which matters to focus on in the PIR.

28. In addition, questions submitted to the IFRS Interpretations Committee (the Committee) are another source of information that helps the Board identify matters to examine in the PIR. The Committee has considered two questions related to the impairment requirements of IFRS 9 since the effective date of the Standard.⁶⁷
29. Considering the analysis in paragraphs 16–28 of this paper, the staff suggest the Board begin the PIR of the impairment requirements of IFRS 9 in the second half of 2022. The staff think that sufficient information would be available by then for the Board to begin the PIR.

PIR of the hedge accounting requirements of IFRS 9

30. IFRS 9 permits an accounting policy choice between applying the hedge accounting requirements of IFRS 9 or IAS 39. The Board intended to allow the election until completion of a separate project on dynamic risk management. At present, many entities (especially banks) are still applying the hedge accounting requirements of IAS 39. Many insurance entities have also not applied the hedge accounting requirements of IFRS 9.
31. In contrast, many corporate entities apply the hedge accounting requirements of IFRS 9. The transition from the hedge accounting requirements of IAS 39 to those of IFRS 9 has had a significant effect on the statement of financial position and the statement of financial performance of many corporate entities. For many corporate entities, the effect of the hedge accounting requirements of IFRS 9 has been greater than that of the impairment requirements of IFRS 9.

⁶ Curing of a credit-impaired financial assets <https://www.ifrs.org/content/dam/ifrs/supporting-implementation/agenda-decisions/ifrs9-curing-of-a-credit-impaired-financial-asset-mar-19.pdf>

⁷ Credit enhancement in the measurement of expected credit losses <https://www.ifrs.org/content/dam/ifrs/supporting-implementation/agenda-decisions/ifrs9-credit-enhancement-in-the-measurement-of-expected-credit-losses-mar-19.pdf>

32. In addition, the staff understand that at least two large banks have recently started applying the hedge accounting requirements of IFRS 9, and there are other banks that might be contemplating transitioning to IFRS 9 hedge accounting in the near future.
33. At present, limited academic research is available on the hedge accounting requirements of IFRS 9. There is currently one academic paper on the hedge accounting requirements of IFRS 9 that uses a simulation modelling technique. More academic studies may become available in the near future. Hedge accounting is one of the research topics for the joint IASB/FASB/The Accounting Review conference in November 2022.
34. Since the effective date of IFRS 9, the Committee received five questions relating to the hedge accounting requirements of IFRS 9.⁸ No transition resource group was set up for hedge accounting requirements of IFRS 9.
35. In the staff's view, there are advantages and disadvantages of starting the PIR of the hedge accounting requirements of IFRS 9 in the next 12 months.
36. The advantage of beginning the PIR in the next 12 months is that it may help pre-empt some of the implementation challenges entities may face when they start applying the hedge accounting requirements of IFRS 9 in the future. The potential improvements, if any, that the Board could make to the hedge accounting requirements of IFRS 9 would help both entities currently applying those requirements and entities that will apply them in the future.
37. The disadvantage of beginning the PIR in the next 12 months is that its review is likely to focus almost solely on corporate entities, which may provide incomplete information about the effects of applying the requirements. Generally, the nature and the level of complexity of hedge accounting differs between corporate entities and banks. This means the effects of applying the hedge accounting requirements could be different between them. If no banks were intending to apply the hedge accounting requirements of IFRS 9 until completion of the dynamic risk management (DRM) project, the staff would have recommended the Board begin the PIR sooner. Waiting

⁸ [Transition issues relating to hedging; Application of the highly probable requirement when a specific derivative is designated as a hedging instrument; Determining hedge effectiveness for net investment hedges; Fair Value Hedge of Foreign Currency Risk on Non-Financial Assets; Hedging Variability in Cash Flows due to Real Interest Rates.](#)

until all entities are applying the hedge accounting requirements of IFRS 9 (ie when the DRM project is complete and effective for a number of years) would be, in the staff's view, too significant a delay. However, as mentioned in paragraph 32, we are aware of some banks that apply, or might be contemplating applying, the hedge accounting requirements of IFRS 9. Therefore, the staff think it is worth waiting until those banks have completed their implementation of the hedge accounting requirements of IFRS 9 so that the Board can consider the application effects for banks as well as corporate entities in the PIR.

38. The staff also expect that conducting the review of the impairment and hedge accounting requirements in a single PIR would provide limited benefits for stakeholders. This is because the requirements are distinct in nature with limited overlap. The outreach for each set of requirements will likely focus on different types of entities, with the focus of the impairment requirements mainly on the banks and the focus of the hedge accounting requirements mainly on corporate entities. For many entities, there are often separate teams responsible for impairment and hedge accounting. As such, conducting a single PIR for these requirements is expected to create no substantial benefit in reducing efforts for stakeholders, the staff and the Board.

39. Conducting a single PIR also carries a risk of the review of one area overshadowing the review of the other, depending on which requirements had a more significant effect on an entity. We think it would be more effective and efficient if the Board performs the reviews in two separate PIRs.

40. On balance, the staff think the Board should consider in the second half of 2022 when to begin the PIR of the hedge accounting requirements of IFRS 9.

Question 1 for Board members

For IFRS 9, should the Board:

- a. begin the PIR of the impairment requirements in the second half of 2022; and
- b. consider in the second half of 2022 when to begin the PIR of the hedge accounting requirements?

PIR of IFRS 15

41. At its October 2020 meeting, the Board concluded that it was too early to begin the PIR of IFRS 15 because:
- (a) a survey of 2018 financial statements conducted by an accounting firm found significant variation in entities' IFRS 15 disclosures. That survey also said entities may need to further refine or tailor their IFRS 15 disclosures. While making such refinements, the entities, their auditors, and their regulators could not have provided the most beneficial input to the PIR. Furthermore, reviewing the requirements while entities were developing their approaches to applying IFRS 15 could have disrupted practice.
 - (b) information about revenue recognised applying IFRS 15 was available for only two annual reporting periods for many entities. Trend information about revenue is important to investors and analysts and thus important to the Board in assessing the effects of IFRS 15. Having said that, two years of data would have been insufficient.
 - (c) many revenue contracts are multi-year contracts and many such contracts would not have been accounted for applying IFRS 15 for their full duration. That meant entities could not have provided the most beneficial input about the full effects of applying IFRS 15 for such contracts.
42. Considering the discussion in October 2020, if the Board were to begin its PIR of IFRS 15 in the second half of 2022, it would have the benefit of:
- (a) better information from the developed processes and possibly consistent approaches to applying IFRS 15 over four years;
 - (b) information about revenue recognised applying IFRS 15 for at least four full annual reporting periods; and
 - (c) information about the effects of applying IFRS 15 to the full duration of all contracts with a duration up to four years.

43. The Board would also benefit from the results of the activities the FASB has carried out as part of its PIR of Accounting Standards Codification Topic 606, Revenue from Contracts with Customers. As part of its PIR, the FASB has been evaluating the costs and benefits of applying Topic 606 for public companies (which is substantially converged with IFRS 15). At its meeting on 28 July 2021, the FASB discussed feedback from a wide range of stakeholders (including many users of financial statements) and from monitoring publicly available information. The FASB provided its staff with direction about additional research, outreach, and education.⁹

Academic research

44. At the October 2020 meeting, the Board concluded that the limited academic research on IFRS 15 should not be a hindrance to starting the first phase of the PIR when the Board identifies matters to be examined. Since then, the number of academic studies on IFRS 15 has increased, but the overall number is still small. Currently, the staff is aware of:
- (a) some single industry or single country (or both) research papers on the effects of IFRS 15 whose findings may be limited to the sample of entities they examine;
 - (b) one academic paper and a work-in-progress deliverable from the KPMG IAAER Research Grant Programme that use IFRS 15 application data; and
 - (c) papers discussing the effects of IFRS 15 that are likely to be submitted to the joint IASB/FASB/The Accounting Review conference in November 2022.
45. Overall, the reasons for the limited academic research on IFRS 15 are:
- (a) the need to have several years of post-adoption data for researchers to be able to detect trends in accounting numbers and disclosures;
 - (b) the slower rate of research dissemination through conferences and workshops during the pandemic; and
 - (c) the lengthy review process in high quality academic research journals.

⁹ Links to the [July 28, 2021 FASB Board Meeting Handout](#) and [Tentative Board Decisions: July 28, 2021 FASB Board Meeting](#).

46. Furthermore, researchers who prefer to investigate questions using large data sets and empirical modelling and who seek documenting statistically significant effects may have chosen not to research the effects of IFRS 15 because:
- (a) the initial findings of Napier and Stadler (2020) suggested IFRS 15 may have had little effect on the recognition and measurement of revenue.¹⁰ These findings could imply that there may be little to observe in the numbers reported in the statement(s) of financial performance.
 - (b) IFRS 15 was expected to result in improved and new disclosure about revenue, and much of the data needed to study changes in disclosure practices may have to be collected by hand.
47. If the Board were to begin the PIR of IFRS 15 in the second half of 2022, the academic research discussed in paragraph 44 of this paper would become available to be considered in the first phase of the PIR.
48. In addition, similar to the impairment requirements of IFRS 9, the Board carried out significant implementation activities after issuing IFRS 15. These activities included publication of educational materials, use of the Transition Resource Group for Revenue Recognition and the work of the Committee on seven agenda decisions. These activities gave the Board greater awareness about the areas in which application questions have arisen and therefore on which matters the PIR may focus.
49. Considering the analysis in paragraphs 41–48 of this paper, the staff suggest the Board begin the PIR of IFRS 15 in the second half of 2022. The staff think there would be no incremental benefit to the Board in delaying the start of the PIR beyond that date.

Question 2 for Board members

For IFRS 15, should the Board begin the PIR in the second half of 2022?

¹⁰ Napier, C. J. and Stadler, C. 2020. ‘The real effects of a new accounting standard: the case of IFRS 15 Revenue from Contracts with Customers’, *Accounting and Business Research*, 50 (5), 474-503.

PIR of IFRS 16

50. IFRS 16 has had a pervasive effect on many entities. The Standard requires a lessee to recognise assets and liabilities for all leases of more than 12 months (unless the underlying asset is of low value). Based on information obtained from entities' financial statements, the Board estimated that listed entities using IFRS or US GAAP had almost US\$3 trillion of off balance sheet lease commitments in 2014. The significance of the effect of IFRS 16 varied by industry and region and between entities. However, for many entities, the effect on reported assets and financial leverage was substantial. That effect was not restricted to the statement of financial position; the lessee accounting model in IFRS 16 also had a significant effect on many entities' statements of financial performance and cash flows.

51. The Standard introduced disclosure requirements to complement the lessee accounting model—those requirements ask lessees to disclose information about the amounts recognised in the financial statements and also about future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities (for example, information about payments in optional periods not included in the lease term and variable lease payments not included in the measurement of lease liabilities).

52. Given the extent of change the Standard introduced, the effective date did not mark the end of implementation efforts. Since the effective date (1 January 2019) entities have continued to refine their systems and approaches to applying the requirements—in particular, we expect efforts to be ongoing relating to the new disclosure requirements. We think reviewing the requirements of IFRS 16 while entities continue to develop their approaches could be seen as disruptive to practice.

53. We also note the impact of the covid-19 pandemic on leasing activities. Not only has the economic effect of the pandemic resulted in rent concessions being granted to lessees, but it is also likely to result in lease renegotiations to reflect changes in lessees' business models (for example, lessees who require less office or retail space, or who wish to renegotiate lease terms).

54. At present, limited academic research is available on IFRS 16—we are aware of one survey-based academic paper on the implementation of IFRS 16. Papers discussing the effects of IFRS 16 are likely to be submitted to the joint IASB/FASB/The Accounting Review conference in November 2022. The reasons for the limited academic research on IFRS 15 described in paragraph 45 of this paper are applicable to IFRS 16.
55. For the Board to assess fully the effects of IFRS 16, the staff think more time is needed for:
- (a) trend information to become available. Trend information is important to investors and analysts and thus will be important to the Board in assessing the effects of IFRS 16. The Board expected that most lessees would apply—and we understand most have applied—the relief from restating comparative periods presented when they first applied IFRS 16 (ie in their 2019 financial statements). Therefore, at present, many lessees have published IFRS 16 financial statement information for only two annual reporting periods.
 - (b) information about the effects of the covid-19 pandemic on leasing activities—and how IFRS 16 has coped with those effects—to be further available.
56. Considering the analysis in paragraphs 50–55 of this paper, the staff are of the view that it is too early to begin the PIR of IFRS 16.

Question 3 for Board members

For IFRS 16, should the Board consider in the second half of 2022 when to begin the PIR?

Appendix A—extract of the post-implementation review section of the *Due Process Handbook*

- A1. The *Due Process Handbook* sets out the due process principles that apply to the Board and the IFRS Interpretations Committee. This appendix provides an extract of paragraphs 6.48–6.59 of the handbook.

Post-implementation review

- 6.48. The Board is required to conduct a post-implementation review of each new IFRS Standard or major amendment. A post-implementation review normally begins after the new requirements have been applied internationally for two years, which is generally about 30–36 months after the effective date.
- 6.49. In addition to post-implementation reviews that respond to a new IFRS Standard or major amendment to a Standard, the Board may decide to conduct a post-implementation review in response to changes in the financial reporting environment and regulatory requirements, or in response to concerns about the quality of a Standard that have been expressed by the Advisory Council, the Interpretations Committee, standard-setters or interested parties.
- 6.50. Each review has two phases. The first involves an initial identification and assessment of the matters to be examined, which are then the subject of a public consultation by the Board in the form of a request for information. In the second phase, the Board considers the comments it has received from the request for information along with the information it has gathered through other consultative activities. On the basis of that information, the Board presents its findings and sets out the steps it plans to take, if any, as a result of the review.

Initial assessment and public consultation

- 6.51. The goal of improving financial reporting underlies any new IFRS Standard. A post-implementation review is an opportunity to assess the effect of the new requirements on investors, preparers and auditors following the issuance and application of a Standard. The review considers the issues that were important or contentious during the development of the publication (which should be identifiable from the basis for conclusions, project summary, feedback statement and effect analysis of the relevant Standard), as well as issues that have come to the attention of the Board after the document was published. The Board and the technical staff also consult stakeholders

to help the Board identify areas where possible unexpected costs or implementation problems were encountered.

- 6.52. This initial assessment should draw on the broad network of IFRS Standards-related bodies and interested parties, such as the Interpretations Committee, the Board's consultative groups, securities regulators, national accounting standard-setting bodies, regional bodies involved with accounting standard-setting, preparers, auditors and investors. The purpose of these consultations is to inform the Board so that it can establish an appropriate scope for the review. How extensive the consultations need to be in this phase will depend on the Standard being reviewed and on what the Board already knows about the implementation of that Standard. The Board needs to be satisfied that it has sufficient information to establish the scope of the review.
- 6.53. The Board publishes a request for information, setting out the matters for which it is seeking feedback by means of a formal public consultation. In the request for information, the Board explains why it is seeking feedback on the matters specified and includes any initial assessment by the Board of the IFRS Standard or major amendment that is being reviewed. The request for information will also set out the process that the Board followed in establishing the scope of the review.
- 6.54. The Board normally allows a minimum of 120 days for comment on a request for information that is part of a post-implementation review. The Board will only set a period of less than 120 days after consulting and obtaining approval from the DPOC.
- 6.55. The Board may decide, on the basis of its initial assessment, that it would be premature to undertake a post-implementation review at that time. The Board informs the DPOC of its intention to defer a post-implementation review, explaining why it has reached this conclusion and indicating when it expects to resume the review.

Consideration of evidence and presentation of findings

- 6.56. The Board considers whether it is necessary to supplement the responses to the request for information with other information or evidence, such as by undertaking:
- (a) an analysis of financial statements or of other financial information;
 - (b) a review of academic and other research related to the implementation of the IFRS Standard being reviewed; and
 - (c) surveys, interviews and other consultations.

- 6.57. The extent to which further information is gathered will depend on the IFRS Standard being reviewed and the feedback from the request for information.
- 6.58. The Board considers the comments that it has received from the request for information along with the evidence and information that it has obtained from any additional analysis. When the Board has completed its deliberations, it presents its findings in a public report. The Board may consider making minor amendments to the IFRS Standard or preparing an agenda proposal for a broader revision of the Standard. There is no presumption that a post-implementation review will lead to any changes to a Standard. The Board may recommend to the DPOC that the Board should make changes to its procedures, such as how effects of a Standard are assessed or additional steps that should be taken during the development of a Standard.
- 6.59. The Board reports regularly to the DPOC during the period of a post-implementation review and informs the DPOC when it has completed its review and provides the DPOC with a draft of the report. When the DPOC is satisfied that the Board has completed the review satisfactorily, the report can be finalised.