

AGENDA PAPER

IFRS® Foundation Trustees meeting – Due Process Oversight Committee

Video conference **October 2021**

Agenda ref 1B

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Technical Activities: Key Issues and Update

Purpose of the report

1. This report provides the Due Process Oversight Committee (DPOC) with an update on the activities of the International Accounting Standards Board (Board) and the IFRS Interpretations Committee for the period June to September 2021.
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 Board and the IFRS Foundation staff, the due process activities of the Board and the Interpretations Committee, including standard-setting, the development of materials to support the consistent application of IFRS Standards, and the IFRS Taxonomy.

3. At this meeting there are no projects for which the DPOC is being asked to specifically confirm that due process has been followed. **Accordingly, all information in this report is for noting only.**
4. The report is structured as follows:
 - (a) Summary of key points (paragraph 6)
 - (b) Due process matters in the period for noting (paragraphs 7–20)
 - (c) Other matters occurring during the period for the attention of the DPOC (paragraphs 21–41).
5. The accompanying appendices are as follows:

Appendix A—Overview of projects on the Work Plan

Appendix B—Due process documents published in the period.

Summary of key points

6. The key points for the period to note are as follows:

- Due process documents published (see Appendix B) include:
 - Exposure Draft *Subsidiaries without Public Accountability: Disclosures*.
 - Request for Information *Post-implementation Review of IFRS 9—Classification and Measurement*.
- Outreach activities to support these and other consultations are in progress.
- The Board continues to monitor comment periods. A key consideration in publishing due process documents over the period continued to be the need to balance allowing sufficient time for stakeholders to provide high-quality feedback—given challenges arising from the covid-19 pandemic and the number of consultations—with maintaining project progress.
- At its July 2021 meeting, the Board extended the comment period for the Exposure Draft *Disclosure Requirements—A Pilot Project* from approximately seven months to ten months in response to stakeholder feedback and the unique nature of, and significant new thinking in, the proposals. In particular, the comment period will allow more time for preparers to conduct fieldwork and provide feedback on the practical application of the proposals.
- The Board decided to set a comment period of 60 days comment period for the Exposure Draft *Initial Application of IFRS 17 and IFRS 9—Comparative Information*. The DPOC had approved a shortened comment period at its June meeting. The comment period closed towards the end of September and the Board will consider the feedback at its October meeting.
- The remaining consultation documents published during the period had comment periods equal to or longer than the minimum required by the *Due Process Handbook*.

Due process matters in the period for noting

Due process documents published

7. The due process documents published in the period are listed in Appendix B. The staff confirms that the required due process steps had been completed for each of the documents listed. When the Board is required to review a summary of the due process steps undertaken for a due process document, the DPOC receives a copy of the supporting Board paper in advance of the Board's discussion.

Due process decisions

Research projects (including post-implementation reviews)

Post-implementation Review of IFRS 9—Classification and Measurement

8. At its September 2021 meeting the Board approved the publication of the Request for Information *Post-implementation Review of IFRS 9—Classification and Measurement* and set a comment period of 120 days.

Background

9. The Request for Information was published in September 2021. The Request for Information seeks:
 - (a) information on specific matters that were identified after considering outreach undertaken over the first six months of 2021; and
 - (b) any other information relevant to the post-implementation review of the classification and measurement requirements.
10. The Board is gathering this information to assess in the second phase of the PIR whether:
 - (a) the objectives of the classification and measurement phase of the Board's project to replace IAS 39 *Financial Instruments: Recognition and Measurement* with IFRS 9 *Financial Instruments* have been met;
 - (b) information provided by entities applying the classification and measurement requirements in IFRS 9 is useful to users of financial statements;
 - (c) the costs arising in preparing, auditing, enforcing, or using the information provided by entities applying the requirements is broadly as expected by the Board when it developed the Standard; and
 - (d) the requirements can be applied consistently.

Standard-setting projects

Disclosure Initiative—Targeted Standards-level Review of Disclosures

11. As noted in paragraph 6, at its July 2021 meeting, the Board extended the comment period for Exposure Draft *Disclosure Requirements in IFRS Standards—A Pilot Approach*, by approximately three months.

Maintenance projects (narrow-scope amendments)

Classification of Debt with Covenants as Current or Non-current (IAS 1)

12. At its meeting in June 2021, the Board decided to propose narrow-scope amendments that would modify the requirements introduced by *Classification of Liabilities as Current or Non-current* (2020 amendments) on how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances. The proposed amendments would also defer the effective date of the 2020 amendments to no earlier than 1 January 2024 (to avoid entities having to apply amendments that the Board is proposing to change).
13. At its meeting in July 2021, the Board decided to allow a comment period of no fewer than 120 days for the exposure draft of proposed amendments to IAS 1 *Presentation of Financial Statements*. The Board also confirmed it was satisfied that it had complied with the applicable due process requirements and had undertaken sufficient consultation and analysis to begin the process for balloting the exposure draft.

Supplier Finance Arrangements

14. At its meeting in June 2021, the Board decided to propose additional disclosure requirements, and ‘signposts’ within existing disclosure requirements, that would ask entities to provide qualitative and quantitative information about supplier finance arrangements. That information would help investors determine the effects of those arrangements on an entity’s liabilities and cash flows.
15. At its meeting in July 2021, the Board decided to allow a comment period of no fewer than 120 days for the exposure draft of proposed amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* relating to disclosure requirements for supplier financing arrangements. The Board also confirmed it was satisfied that it had complied with the applicable due process requirements and had undertaken sufficient consultation and analysis to begin the process for balloting the exposure draft.

Initial Application of IFRS 17 and IFRS 9—Comparative Information

16. At its meeting in June 2021, the Board tentatively decided to propose a narrow-scope amendment to IFRS 17 *Insurance Contracts*. It also confirmed it was satisfied that it had complied with the applicable due process requirements and had undertaken sufficient consultation and analysis to begin the process for balloting the exposure draft. The Board decided to set a comment period of 60 days for the exposure draft. (On 16 June 2021 the DPOC approved a shortened comment period.)

Background

17. The Board published the exposure draft in July 2021. The amendment relates to comparative information presented by insurers on initial application of IFRS 17 and IFRS 9. The amendment is proposed in response to new information from some insurers that are now advanced in implementing IFRS 17 and IFRS 9 about the effect the differing transition requirements of these Standards can have on the usefulness of the comparative information.
18. The proposed amendment to IFRS 17 would essentially permit an insurer to use reasonable and supportable information to present comparative information about those financial assets that is more consistent with the classification and measurement approach of IFRS 9.
19. The proposed amendment is:
 - (a) designed to improve the usefulness of the comparative information presented on the initial application of IFRS 17 and IFRS 9, and therefore would not result in information loss for users of financial statements; and
 - (b) optional and designed to address an issue that is relevant to only a limited number of insurers, and therefore would not disrupt implementation for preparers of financial statements.
20. IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023. The proposed amendment will be of most benefit to insurers if it is finalised before 1 January 2022 because to apply the proposed amendment insurers would need to begin collecting information from 1 January 2022.
21. Despite the shortened comment period, the Board received 43 comment letters. Although there have been some requests for an expansion of the scope and clarification of the proposals, the comment letters generally demonstrate an understanding of the reasons for the Board's scoping decisions and support for the proposals. The Board is expected to consider the feedback at its October meeting with a view to finalising the amendment by the end of the year.

Agenda paper compliance report¹

22. In the period June to September 2021, all agenda papers discussed by the Board and the Interpretations Committee were made available on the public website unaltered. No Board papers were posted after the posting deadline in the period.

¹ Paragraph 3.12 of the *Due Process Handbook* states 'The technical staff is required to report to the Board and the DPOC at least annually on the extent to which material discussed by the Board 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 distributed less than five working days in advance and the main reasons for doing so.'

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

Project updates

Goodwill and Impairment

23. At its meetings in June–September 2021, the Board began its redeliberations of the Goodwill and Impairment project proposals having discussed feedback on its Discussion Paper *Business Combinations—Disclosures, Goodwill and Impairment* in previous meetings. We reported a summary of this feedback at the June 2021 DPOC meeting.
24. During the period, the Board redeliberated:
 - (a) the project objective and scope. The Board tentatively decided to leave the objective of the project unchanged from that described in the Discussion Paper and make no changes to the project’s scope at this stage. The objective is to explore whether entities can, at a reasonable cost, provide users of financial statements with more useful information about the acquisitions those entities make.
 - (b) preliminary views on the subsequent accounting for goodwill, and in particular whether to reintroduce amortisation of goodwill.
 - (c) disclosures about business combinations.
 - (d) improving the effectiveness of the impairment test in IAS 36 *Impairment of Assets*.
25. The Board had originally planned to make a preliminary decision in September 2021 on whether to reintroduce amortisation of goodwill given the potential dependency between this decision and other aspects of its preliminary views in the Discussion Paper. However, at the July 2021 meeting many Board members said they would like to consider this question as part of a broader package that aims to meet the project’s objective. In particular, Board members said they would like more information to help them make a decision on the subsequent accounting for goodwill. That additional information included what the package of disclosures about business combinations would look like after the Board’s redeliberations and further analysis on some aspects of the feedback on the subsequent accounting for goodwill.
26. In September 2021 the Board discussed a revised project plan prioritising disclosures about business combinations and obtaining additional information about the feasibility of estimating a useful life of goodwill and the effect on historic goodwill balances of transitioning to an amortisation model before making a decision on whether to reintroduce amortisation of goodwill. Other topics in the project would be discussed by the Board when resources permit.

27. The FASB is also undertaking a project that considers the subsequent accounting for goodwill. In July 2021, the Board and the FASB held a joint educational meeting and discussed their respective goodwill and impairment projects. We also continue to have informal discussions and share information with FASB members and staff.

Primary Financial Statements

28. At its meetings in June-September 2021, the Board continued redeliberating the proposals in the Exposure Draft *General Presentation and Disclosures*. In these meetings, the Board continued to make progress with decisions on aspects in each of the three main components of the project:
- (a) structure and subtotals in the statement of profit or loss
 - (b) disaggregation
 - (c) management performance measures.
29. In these discussions the Board decided to:
- (a) confirm the scope of the proposals for management performance measures would not be expanded beyond income and expense subtotals;
 - (b) remove an aspect of the definition of management performance measures to make it easier to apply. The Board will continue to discuss other aspects of the definition of management performance measures, in particular the requirement that it reflects management's view of performance and that it is used in public communications outside financial statements;
 - (c) set out the approach for classifying items of income and expenses in the financing category of statement of profit or loss;
 - (d) confirm the proposals for classification of income and expenses from derivatives and hedging instruments with a change in default classification category from investing to the operating category, and specific provisions for derivatives related to financing activities;
 - (e) confirm the proposal relating to classification of foreign exchange differences with the addition of undue cost or effort relief; and
 - (f) provide additional guidance to help entities apply principles of aggregation and disaggregation, both in the primary financial statements and the notes.

Management Commentary

30. As previously reported, the Board published the Exposure Draft *Management Commentary* in May 2021. The comment period ends in November.
31. We are currently undertaking outreach with stakeholders. Although feedback in outreach meetings is preliminary and lacks the depth of rationale that will be available

in comment letters, to date, stakeholders have generally supported the proposals in the exposure draft, with questions and suggestions for improvement, including:

- (a) suggestions to make guidance on reporting ESG matters more prominent
- (b) questions about why the design of the disclosure objectives differs from the proposals in the Exposure Draft *Disclosure Requirements—A Pilot Project*
- (c) questions about the use of terminology
- (d) questions about the focus on investors and creditors, rather than a wider range of stakeholders
- (e) questions about the outlook for the project, given the potential creation of the International Sustainability Standards Board (ISSB).

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

- 32. At its meeting in July 2021, the Board considered a summary of the feedback on the Request for Information *Post-implementation Review of IFRS 10, IFRS 11 and IFRS 12* (the consolidation package of Standards). The summary included feedback from 83 comment letters and 38 outreach events undertaken between January and May 2021. The Board considered separately the feedback from investors and an update to the academic literature review.
- 33. Most respondents agreed that IFRS 10, IFRS 11 and IFRS 12 are working well. Many respondents acknowledged the need to apply judgement and highlighted that in complex arrangements applying judgement and making decisions about whether an entity controls another entity can, itself, be challenging. Consequently, some respondents said application guidance and illustrative examples are important. The Board was not asked to make any decisions. The Board will consider the next steps of the Post-implementation Review in Q4 2021.
- 34. In accordance with paragraph 6.59 of the *Due Process Handbook*, we expect to provide the DPOC a draft of the Board's report on its findings prior to publication in H1 2022.

Extractive Activities

- 35. The Board's Extractive Activities research project has been gathering evidence to help decide whether to develop proposals to replace IFRS 6 *Exploration for and Evaluation of Mineral Resources*. At its September meeting, the Board considered the evidence collected and tentatively decided that the project's scope and objectives should be to explore two aspects of IFRS 6:
 - (a) developing requirements or guidance to improve the disclosure objectives and requirements about an entity's exploration and evaluation expenditure and

activities to provide more useful information to primary users of financial statements; and

- (b) removing the temporary status of IFRS 6.

Third Agenda Consultation

- 36. The comment period for the Board's Third Agenda Consultation ended in September 2021. The staff are in the process of analysing feedback from approximately 120 comment letters, 37 surveys and 74 outreach meetings.
- 37. Although feedback in outreach meetings is preliminary and lacks the depth of rationale that will be available in comment letters, to date, stakeholders have:
 - (a) generally expressed support for maintaining the current balance of activities, with some small tweaks to a few of the activities.
 - (b) recommended that the Board set aside capacity for connectivity of work with any potential ISSB.
 - (c) consistently expressed support for a project on intangibles. Other commonly identified priorities include projects on cryptoassets, cash flows and, to a lesser extent, climate-related risks, segment reporting and discontinued operations.
- 38. The Board plans to begin discussing the feedback at its November meeting, with a view towards publishing its Feedback Statement in Q2 2022.

Supporting consistent application

Interpretations Committee

- 39. The Interpretations Committee met in June and September 2021 and published four tentative agenda decisions and finalised four agenda decisions (see the table in Appendix B). Two of these agenda decisions have been presented to the Board and were published following confirmation by the Board in accordance with paragraph 8.7 of the *Due Process Handbook*. The Board will discuss the remaining two at its October meeting. Most of the agenda decisions include material explaining how the applicable principles and requirements in IFRS Standards apply to the transaction or fact pattern described in the agenda decision.
- 40. At the September 2021 meeting, the Interpretations Committee discussed the Board's Lease Liability in a Sale and Leaseback project. This issue originated with a question submitted to the Interpretations Committee. Interpretation Committee members provided advice on the project's direction considering the feedback on the related exposure draft. The Board will consider the Committee's advice when it discusses the project at a future meeting.
- 41. At the close of the September 2021 meeting, there were three submissions recently received that the Interpretations Committee had not yet considered.

Appendix A—Overview of projects on the Work Plan

[abbreviations: DP=Discussion Paper; ED=Exposure Draft; RFI=Request for Information; ASAF=Accounting Standards Advisory Forum; CMAC=Capital Markets Advisory Committee; GPF=Global Preparers Forum; EEG=Emerging Economies Group; SMEIG=SME Implementation Group]

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ²
Research projects							
Business Combinations under Common Control	To explore possible reporting requirements that would reduce diversity in practice and improve the transparency and comparability of the reporting on business combinations under common control	Discussion Paper Feedback	Q4 2021	✓	<ul style="list-style-type: none"> • Comment period closed 01 September • Staff analysing feedback from comment letters and outreach 	• DP published Nov 2020	ASAF: June 2021 CMAC: March 2021 EEG: May 2021 GPF: Jun 2019
Dynamic Risk Management	To explore whether an accounting model can be developed to better reflect how a company’s interest rate risk management strategy may affect the amount, timing and uncertainty of future cash flows and the effect of risk management activities on its financial statements.	Decide project direction	H1 2022	✓	<ul style="list-style-type: none"> • Board has considered feedback from outreach on core model • Further staff research and analysis on the key challenges identified 	• DP published in 2014	ASAF: Dec 2020

² Most recent discussion with each group highlighted

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Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ²
Equity method	To assess whether application problems with the equity method as set out in IAS 28 <i>Investments in Associates and Joint Ventures</i> can be addressed in consolidated and individual financial statements by identifying and explaining the principles of IAS 28	Decide project direction	TBD	✓	<ul style="list-style-type: none"> • Project moved from research pipeline in Oct 2020 • June 2021 the Board discussed the principles identified as underlyingly IAS 28 and how to develop additional principles to address application question 	n/a	ASAF: Oct 2021
Extractive Activities	To explore: <ul style="list-style-type: none"> (a) developing requirements or guidance to improve the disclosure objectives and requirements about an entity’s exploration and evaluation expenditure and activities to provide more useful information to primary users of financial statements (b) removing the temporary status of IFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i> 	Decide project direction	H1 2022	✓ Further decision about direction to be made in H1 2022 in order to undertake further research to determine whether standard setting is feasible.	<ul style="list-style-type: none"> • Board to consider what research to undertake to meet the objective. 	n/a	ASAF: March 2021 CMAC: Mar 2019

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Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ²
Goodwill and Impairment	To explore whether companies can, at a reasonable cost, provide investors with more useful information about the acquisitions those companies make. The Board is considering ways to meet the objective through improving the disclosure requirements about business combinations and the subsequent accounting for goodwill	Decide project direction	H1 2022		Decision about direction deferred in order to first assess whether the Board can develop a disclosure package that helps meet the project's objectives.	DP published Mar 2020 (extended comment period ended Dec 2020)	ASAF: June 2021 CMAC: Oct 2020 EEG: Dec 2020 GPF: Oct 2020 Joint IASB and FASB: July 2021
Pension Benefits that Depend on Asset Returns	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	Review research	October 2021	✓	• Reviewing research	n/a	ASAF: Jul 2019
Post-implementation Review of IFRS 10, IFRS 11 and IFRS 12	To examine further the matters in the Request for Information 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	Feedback Statement	Q1 2022	✓	• Board discussed analysis of feedback in July 2021	RFI published Dec 2020 (comment period ended May 2021)	ASAF: March 2021 CMAC: March 2021 EEG: Dec 2020 GPF: March 2021

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Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ²
Post-implementation Review of IFRS 9—Classification and Measurement	To gather evidence to assess whether the classification and measurement requirements of IFRS 9 are working as intended	Request for Information Feedback	H1 2022	✓	<ul style="list-style-type: none"> • Comment period on RFI ends January 2022 • Outreach activities to support RFI 	RFI Published September 2021	ASAF: March 2021 CMAC: March 2021 GPF: March 2021
Standard-setting projects							
Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures	To develop a reduced-disclosure IFRS Standard—using the disclosure requirements of the <i>IFRS for SMEs</i> Standard and adapting them where there are recognition and measurement differences between the <i>IFRS for SMEs</i> Standard and IFRS Standards—that would apply on a voluntary basis to subsidiaries that do not have public accountability	Exposure Draft Feedback	H1 2022	✓	<ul style="list-style-type: none"> • Comment period on ED ends January 2022. • Outreach activities to support ED 	ED published July 2021	ASAF: Apr 2019 GPF: Mar 2019 EEG: Nov 2020
Disclosure Initiative—Targeted Standards-level Review of Disclosures	To develop guidance for the Board itself to use when developing and drafting disclosure requirements in IFRS Standards The Board will test this guidance by applying it to the disclosure requirements in IAS 19 <i>Employee Benefits</i> and IFRS 13 <i>Fair Value Measurement</i>	Exposure Draft Feedback	Q1 2022	✓	<ul style="list-style-type: none"> • Comment period on ED ends January 2022 • Outreach activities to support ED 	ED published Mar 2021	ASAF: Jun 2021 CMAC: Jun 2021 EEG: Dec 2020 GPF: Jun 2021

Appendix A—Overview of projects on the Work Plan

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ²
Financial Instruments with Characteristics of Equity	To improve the information that companies provide in their financial statements about the financial instruments they have issued and address challenges with applying IAS 32 <i>Financial Instruments: Presentation</i>	Publish ED	TBD	✓	<ul style="list-style-type: none"> • Developing proposals for ED 	DP published Jun 2018 In light of feedback, decided to achieve DP objectives by clarifying existing IAS 32 classification principles to address practice issues, providing classification guidance and illustrative examples and improving presentation and disclosure	ASAF: Dec 2020 CMAC: Mar 2020 GPF: Nov 2018 EEG: Oct 2018
Management Commentary	To revise and update Practice Statement 1 <i>Management Commentary</i> issued in 2010	Exposure Draft Feedback	Q1 2022	✓	<ul style="list-style-type: none"> • Comment period on ED ends November 2021 • Outreach activities to support ED 	ED published May 2021	Management Commentary Consultative Group: Dec 2019 ASAF: Mar 2021 CMAC: Jun 2021 EEG: May 2020 GPF: Jun 2021

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Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ²
Primary Financial Statements	To improve how information is communicated in the financial statements, with a focus on information in the statement of profit or loss including introducing a more disciplined and transparent approach to the reporting of management-defined performance measures (a subset of 'non-GAAP')	Issue new IFRS Standard	TBD	✓	<ul style="list-style-type: none"> Redeliberating the proposals in ED in light of feedback 	ED published Dec 2019	ASAF: March 2021 CMAC: Oct 2020 GPF: Oct 2020 EEG: May 2020
Rate-regulated Activities	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	Exposure Draft Feedback	Oct 2021	✓	<ul style="list-style-type: none"> Analysing feedback from outreach activities and comment letters 	ED published Jan 2021	Rate Regulation Consultative Group: Nov 2017 ASAF: Jun 2021 CMAC: Mar 2021 GPF: Mar 2021 EEG: May 2021
Second Comprehensive Review of the IFRS for SMEs Standard	To undertake the second periodic comprehensive review of the <i>IFRS for SMEs</i> Standard	Publish ED	TBD	✓	<ul style="list-style-type: none"> Developing proposals for ED 	RFI published Jan 2020	EEG: May 2020 SMEIG: Sep 2021
Other projects							

Appendix A—Overview of projects on the Work Plan

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ²
Third Agenda Consultation	To gather views on: <ul style="list-style-type: none"> •the strategic direction and balance of the Board’s activities •the criteria for assessing the priority of financial reporting issues that could be added to the work plan and •new financial reporting issues that could be given priority in the Board’s work plan 	Consider feedback from RFI	November 2021	✓	<ul style="list-style-type: none"> •Outreach activities to support RFI (open until September 2021) 	RFI published March 2021	ASAF: March 2021 CMAC: Oct 2019 GPF: Oct 2019 EEG: May 2021

Appendix A—Overview of projects on the Work Plan

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document
Maintenance projects						
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	Decide project direction	TBD	n/a	• Staff researching how to progress the project	n/a
Lack of Exchangeability (Amendments to IAS 21)	To specify requirements to help companies assess when a currency is not exchangeable and the spot exchange rate to use in that situation	Exposure Draft Feedback	Q1 2022	Short delay due to other priorities	• Analysing feedback	ED published Apr 2021
Lease Liability in a Sale and Leaseback	To improve the sale and leaseback requirements in IFRS 16 by (i) adding subsequent measurement requirements for sale and leaseback transactions; and (ii) specifying the method a seller-lessee uses in initially measuring the right-of-use asset and liability arising in such transactions	Decide project direction	Q4 2021	Short delay to discuss with the Interpretations Committee before further Board discussions	• Considering feedback and developing recommendations on the project direction	ED published Nov 2020
Provisions—Targeted Improvements	To develop proposals for three targeted improvements to IAS 37: (i) aligning the IAS 37 liability definition and requirements for identifying liabilities with the <i>Conceptual Framework</i> ; and (ii) clarifying two aspects of the measurement requirements	Decide project direction	TBD	n/a	• Project slowed with staff working on higher priority projects	n/a

Appendix A—Overview of projects on the Work Plan

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document
IFRS Taxonomy projects						
Amendments to IAS 1, IAS 8 and IFRS Practice Statement 2	To reflect Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) and Definition of Accounting Estimates (Amendments to IAS 8), issued in Feb 2021	Publication of Final IFRS Taxonomy Update	Nov 2021	✓	• Feedback on the Proposed Update has been discussed with the Board in July 2021 Board meeting.	Proposed Taxonomy Update April 2021

Appendix B—Due process documents published in the period

Standard-setting due process documents

Due process document	Due process stage	Date published	Due process reviewed by Board ³	All applicable due process steps completed
<i>Initial Application of IFRS 17 and IFRS 9—Comparative Information</i>	Exposure Draft	July 2021	June 2021	✓
<i>Subsidiaries without Public Accountability: Disclosures</i>	Exposure Draft	July 2021	February 2021	✓
<i>Post-implementation Review of IFRS 9—Classification and Measurement</i>	Request for Information	September 2021	September 2021	✓

³ Paragraph 4.16, 6.6 and 6.22–6.24 of the *Due Process Handbook* set out the due process requirements for the Board when publishing a Discussion Paper, an Exposure Draft, and a new or amended Standard respectively. Before publishing these documents, 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.

**Appendix B—Due process documents published in the period
IFRS Taxonomy due process documents**

There were no IFRS Taxonomy due process documents published during this period.

Appendix B—Due process documents published in the period

IFRS Interpretations Committee Agenda Decisions

Topic	Current due process stage	Date published	Approved by Interpretations Committee	Board not object ⁴	All applicable due process steps completed	Next step	Remarks
TLTRO III Transactions (IFRS 9 <i>Financial Instruments</i> and IAS 20 <i>Accounting for Government Grants and Disclosure of Government Assistance</i>)	Tentative agenda decision	17 June 2021	9 June 2021	N/A	✓	Tentative agenda decision feedback	The Committee will consider feedback on the tentative agenda decision at a future meeting.
Economic Benefits from Use of a Windfarm (IFRS 16 <i>Leases</i>)	Tentative agenda decision	17 June 2021	9 June 2021	N/A	✓	Tentative agenda decision feedback	The Committee will consider feedback on the tentative agenda decision at a future meeting.
Demand Deposits with Restrictions on Use (IAS 7 <i>Statement of Cash Flows</i>)	Tentative agenda decision	23 September 2021	15 September 2021	N/A	✓	Tentative agenda decision feedback	The Committee will consider feedback on the tentative agenda decision at a future meeting.
Cash Received via Electronic Transfer (IFRS 9)	Tentative agenda decision	23 September 2021	15 September 2021	N/A	✓	Tentative agenda decision feedback	The Committee will consider feedback on the tentative agenda decision at a future meeting.
Non-refundable Value Added Tax on Lease Payments (IFRS 16)	Tentative agenda decision feedback	24 March 2021	16 March 2021	N/A	✓	Agenda decision	The Committee considered feedback on the tentative agenda decision at its meeting in September 2021. The Board will be asked whether it objects to the agenda decision at its October meeting.
Accounting for Warrants that are Classified as Financial Liabilities on Initial Recognition (IAS 32)	Tentative agenda decision feedback	24 March 2021	16 March 2021	N/A	✓	Agenda decision	The Committee considered feedback on the tentative agenda decision at its meeting in September 2021. The Board will be asked whether it objects to the agenda decision at its October meeting.

⁴ Paragraph 8.7 of the *Due Process Handbook* requires the Board to be asked whether it objects to a (final) agenda decision approved by the Interpretations Committee before that agenda decision is published.

Appendix B—Due process documents published in the period

<i>Financial Instruments: Presentation)</i>							
Costs Necessary to Sell Inventories (IAS 2 Inventories)	Agenda decision	25 June 2021	8 June 2021	23 June 2021	✓	N/A	N/A
Preparation of Financial Statements when an Entity is No Longer a Going Concern (IAS 10 Events after the Reporting Period)	Agenda decision	25 June 2021	8 June 2021	23 June 2021	✓	N/A	N/A