

## STAFF PAPER

February 2022

## IASB® meeting

Project	Third Agenda Consultation		
Paper topic	Projects on the current work plan—proposed response to feedback		
CONTACT(S)	Rafal Markowski	<a href="mailto:rmarkowski@ifrs.org">rmarkowski@ifrs.org</a>	+44 (0) 207 246 6930
	Rachel Knubley	<a href="mailto:rknubley@ifrs.org">rknubley@ifrs.org</a>	+44 (0) 207 246 6904

This paper has been prepared for discussion at a public meeting of the International Accounting Standards Board (IASB). This paper does not represent the views of the IASB or any individual IASB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS® Accounting Standards. The IASB's technical decisions are made in public and are reported in the IASB® Update.

## Introduction and purpose

1. This paper sets out the staff's proposed response to feedback on the Request for Information *Third Agenda Consultation* (Request for Information) about projects on the IASB's current work plan. At its December 2021 meeting, the IASB discussed a summary of that feedback, as set out in paragraphs 8–50 of Agenda Paper 24A *Feedback Summary—Other comments*.<sup>1</sup>

## Background

2. In paragraph 19 of the Request for Information, the IASB said it intends to continue prioritising the completion of projects on its current work plan because:
  - (a) stakeholders have previously identified those projects as priorities;
  - (b) re-prioritising projects could lead to inefficient stops and starts; and
  - (c) some projects, such as post-implementation reviews, are required by the IASB's due process.<sup>2</sup>

<sup>1</sup> See [Agenda Paper 24A Feedback summary—Other comments](#) for the December 2021 IASB meeting.

<sup>2</sup> See [Due Process Handbook](#).

3. Question 4 of the Request for Information asked respondents for any other comments on the IASB’s activities and work plan. Responses to that question included comments about projects on the current work plan.

### **High-level summary of feedback received**

4. Some respondents made general comments about the work plan and expressed mixed views:
  - (a) some said the IASB should firstly finalise the projects currently on its work plan, as these projects were identified as priorities by stakeholders in the 2015 Agenda Consultation, and continue working on post-implementation reviews, as required by the *Due Process Handbook*.
  - (b) some said the IASB should reassess the priority and necessity of projects on its current work plan and determine whether any of those projects should be put on hold or even stopped to free up resources for new, more important projects.
5. Some respondents wanted to pause or discontinue some projects on the current work plan because, in their view:
  - (a) the issues addressed in the project are not pervasive;
  - (b) the projects have made little progress or may not result in significant improvements in financial reporting; or
  - (c) the projects have lower priority than other potential projects.
6. In addition to general comments on the work plan, many respondents made specific comments about particular projects on the current work plan. In some cases, many (or most or all) of those respondents who commented on a particular project expressed views in favour of continuing work on that project. For example, some respondents commented on the Primary Financial Statements project, all of which expressed views in favour of continuing that project.
7. However, in other cases, mixed views were expressed, or a few or some respondents suggested that a particular project should be paused or discontinued. For example, some respondents said that the IASB should pause work on the Management

Commentary project until the International Sustainability Standards Board (ISSB) begins its standard-setting work.

8. Appendix A sets out the projects on the current work plan, their status and a high-level summary of comments about those projects from respondents to the Request for Information.

### **Staff's proposed response**

9. Although some respondents suggested that the IASB should reassess the priority of projects on its current work plan, in our view, in general, the IASB should continue progressing projects on its current work plan because:
  - (a) reconsidering the prioritisation of projects on the current work plan as part of the Third Agenda Consultation would be problematic for the reasons set out in paragraph 2 of this paper.
  - (b) there are natural points within a project's lifecycle at which the IASB considers the project's future direction (reflection points). Many of the projects that a few or some respondents suggested should be paused or discontinued have reached or will soon reach a reflection point. Those reflection points include:
    - (i) following the publication of a consultation document (such as a discussion paper or exposure draft)—the IASB considers the feedback on such consultation documents before determining the next steps in a project, including whether to continue, pause or discontinue the project.
    - (ii) after completing research, when considering whether to move a research project to standard-setting.
    - (iii) at other points during a project lifecycle when appropriate, such as after conducting stakeholder outreach on specific aspects of a project to help the IASB determine the next steps in that project.
10. However, the IASB has not discussed two projects on the current work plan for some time. Therefore, we have undertaken further analysis of these two projects:

- (a) Availability of a Refund, as discussed in Agenda Paper 12A *Availability of a Refund (Amendments to IFRIC 14)—Project review*. In summary, staff are recommending that the IASB withdraw the project from its work plan.
  - (b) Provisions—Targeted Improvements, as discussed in Agenda Paper 12B *Provisions—Targeted Improvements—Project review*. In summary, staff are recommending that the IASB keep this project on its work plan.
11. Feedback from respondents to the Request for Information about current projects has been passed onto the applicable project teams, to be considered in conjunction with other feedback on those projects.

**Question for the IASB**

Does the IASB agree that it should not, as part of this agenda consultation, reassess the priority of projects on its current work plan and should continue to progress those projects? (This decision does not affect any specific decisions that the IASB might make about the Availability of a Refund project or the Provisions—Targeted Improvements project (see Agenda Papers 12A and 12B).)

## Appendix A—Work plan

A1. This appendix sets out the projects on the current work plan, the status of each project and a high-level summary of the feedback about those projects from respondents to the Request for Information. A more detailed summary of feedback is included in paragraphs 8–50 of [Agenda Paper 24A Feedback Summary—Other comments](#) for the December 2021 IASB meeting.

Project	Project status	Feedback
<b>Research and standard-setting projects</b>		
<b>Business Combinations under Common Control</b>	The IASB has discussed the feedback on the proposals in the Discussion Paper and will begin redeliberating those proposals at a future meeting.	A few respondents commented on this project and all expressed support for continuing work.
<b>Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures</b>	The comment period for the Exposure Draft closed on 31 January 2022. Staff are analysing feedback for the IASB’s future discussion.	A few respondents commented on this project and expressed mixed views about whether to continue or pause work on the project.
<b>Disclosure Initiative—Targeted Standards-level Review of Disclosures</b>	The IASB is considering feedback on the Exposure Draft.	A few respondents commented on this project, of which many expressed support for continuing work and a few said the project should be paused.
<b>Dynamic Risk Management</b>	The IASB expects to decide on the project direction in April 2022.	Some respondents commented on this project, of which some expressed support for continuing work and some said the project should be reassessed.
<b>Equity Method</b>	The IASB expects to decide on the project direction in March 2022.	Some respondents commented on this project, of which many expressed support for continuing work and a few questioned whether the project should be continued.
<b>Extractive Activities</b>	The IASB expects to decide on the project direction in Q3 2022.	A few respondents commented on this project, of which some expressed support for continuing work and many said the IASB should reassess whether to continue the project.
<b>Financial Instruments with Characteristics of Equity</b>	After considering feedback on the Discussion Paper, the IASB tentatively decided to explore making clarifying amendments to IAS 32 <i>Financial Instruments: Presentation</i> to address common application challenges. The IASB moved the project to standard-setting and is developing an exposure draft.	Some respondents commented on this project, of which most expressed support for continuing work and a few said the project should be discontinued.
<b>Goodwill and Impairment</b>	The IASB expects to decide on the project direction in Q3 2022.	Some respondents commented on this project, of which most expressed support for continuing work and one respondent suggested working on a broader-scoped project instead.
<b>Management Commentary</b>	The comment period for the Exposure Draft closed on 23 November 2021. Staff are analysing	Some respondents commented on this project, of which many said that the IASB should pause work on this project and discuss the project with the International

	feedback for the IASB’s future discussion.	Sustainability Standards Board and a few expressed support for continuing work.
<b>Pension Benefits that Depend on Asset Returns</b>	The IASB decided in October 2021 not to propose amendments to IAS 19 <i>Employee Benefits</i> and expects to publish a Project Summary in Q2 2022.	A few respondents commented on this project, of which a few expressed support for continuing work and many said the project should be discontinued.
<b>Post-implementation Review of IFRS 10, IFRS 11 and IFRS 12</b>	The IASB expects to publish a Feedback Statement in Q2 2022. The IASB will consider whether to take actions in response to the post-implementation review at a future meeting.	A few respondents commented on this project and expressed support for continuing work.
<b>Post-implementation Review of IFRS 9—Classification and Measurement</b>	The comment period for the Request for Information closed on 28 January 2022. Staff are analysing feedback for the IASB’s future discussion.	A few respondents commented on this project and expressed support for continuing work.
<b>Primary Financial Statements</b>	The IASB is redeliberating the proposals in the Exposure Draft and expects to issue an Accounting Standard.	Some respondents commented on this project and all expressed support for continuing work.
<b>Rate-regulated Activities</b>	The IASB is redeliberating the proposals in the Exposure Draft and expects to issue an Accounting Standard.	A few respondents commented on this project and all expressed support for continuing work.
<b>Second Comprehensive Review of the IFRS for SMEs Standard</b>	The IASB is developing an exposure draft, taking into consideration the feedback on the Request for Information.	A few respondents commented on this project and expressed mixed views about whether to continue work, or reassess, or pause work on the project.
<b>Maintenance projects</b>		
<b>Availability of a Refund</b>	See Agenda Paper 12A for the February 2022 IASB meeting.	A few respondents commented on this project and said the IASB should reassess the project to consider whether it should be discontinued.
<b>Lack of Exchangeability</b>	The IASB is considering feedback on the Exposure Draft.	A few respondents commented on this project, of which one expressed support for continuing work and others said the project should be reassessed and discontinued.
<b>Lease Liability in a Sale and Leaseback</b>	The IASB considered the project direction in December 2021 and expects to amend IFRS 16 <i>Leases</i> .	One respondent expressed support for continuing work and one said the project should be delayed.
<b>Non-current Liabilities with Covenants</b>	The IASB published an Exposure Draft in November 2021 with a comment deadline of March 2022.	N/A- no comments on this project.
<b>Provisions—Targeted Improvements</b>	See Agenda Paper 12B for the February 2022 IASB meeting.	A few respondents commented on this project, of which a few expressed support for continuing the project and others suggested considering whether to proceed or discontinue.
<b>Supplier Finance Arrangements</b>	The IASB published an exposure draft in November 2021 with a comment deadline of March 2022.	A few respondents commented on this project and expressed support for continuing work.