

IFRS® Foundation
Agenda Paper 1A

IASB's Third Agenda Consultation *Background*

IFRS Advisory Council
January 2022

Topics

A Reminder about the Agenda Consultation

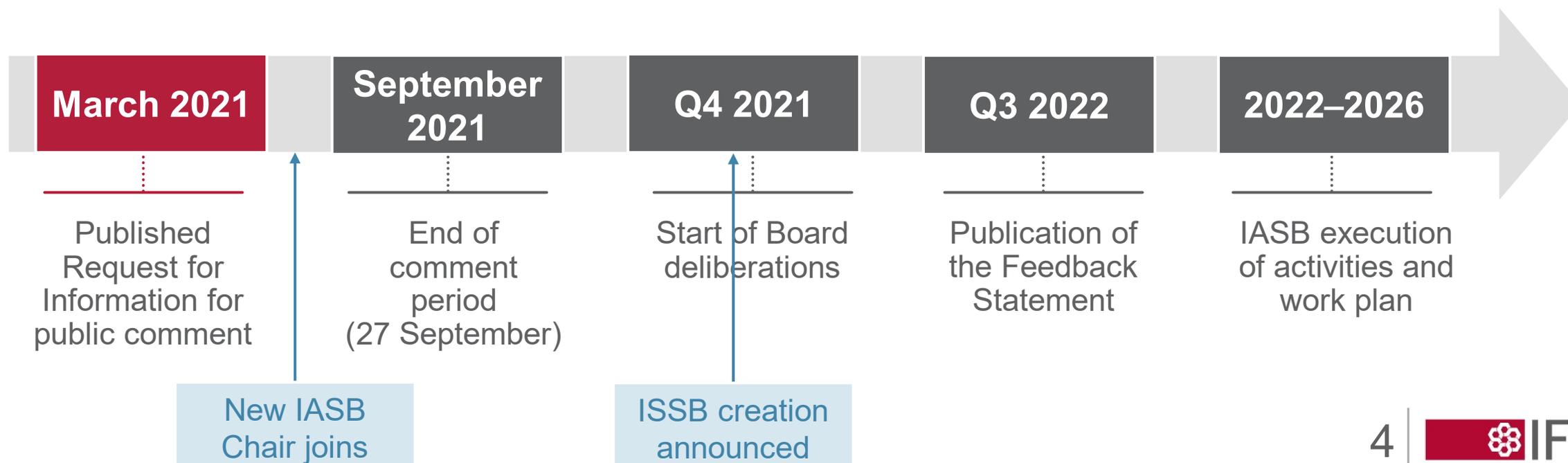
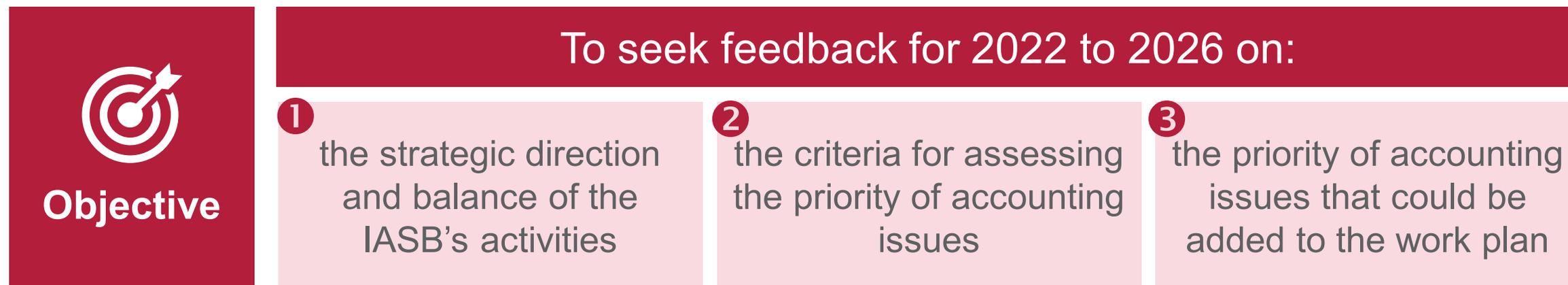
B Summary of feedback received

C IASB's decisions to date



A Reminder about the
Agenda Consultation

Objective and timeline of the consultation



Overview of the Request for Information

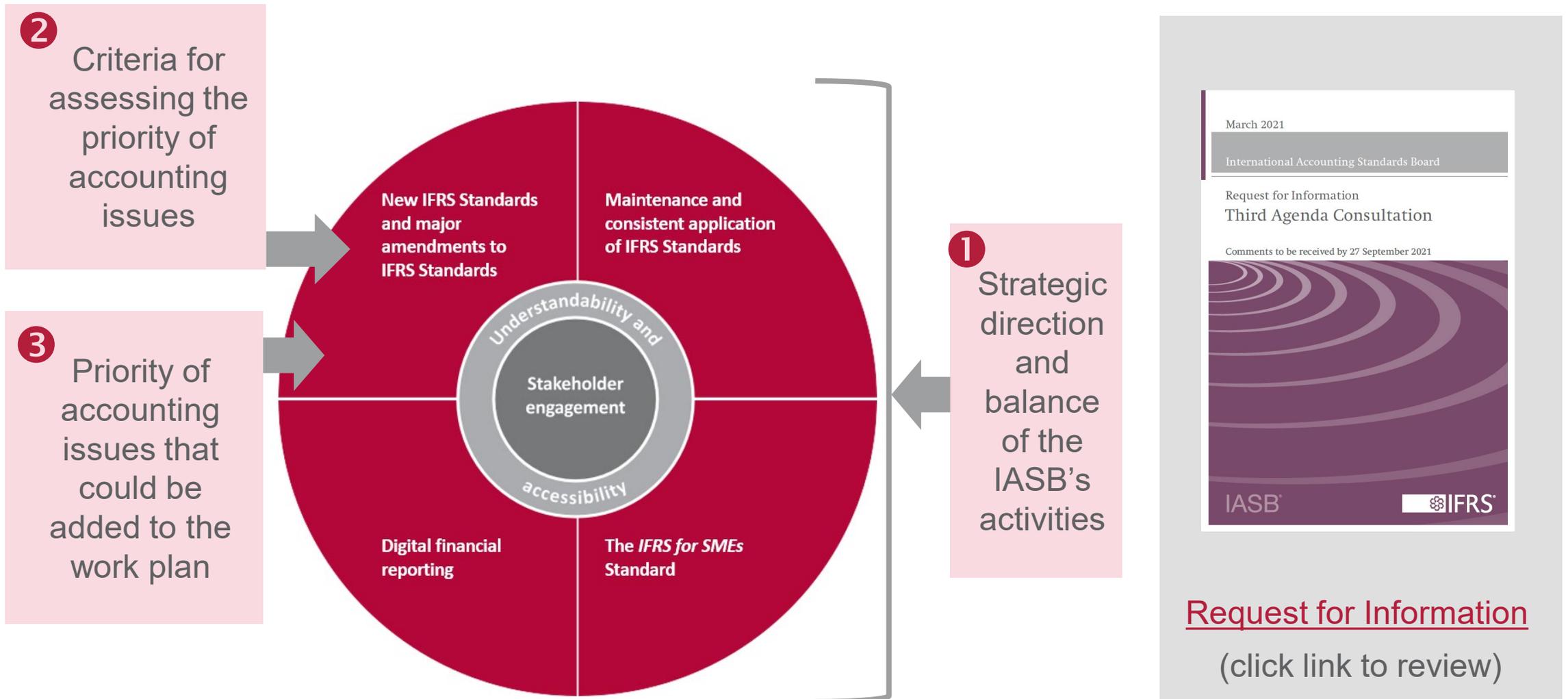


Chart is not drawn to scale

Overview of key considerations to keep in mind

Stakeholder and IASB capacity expected to remain substantially unchanged

Most capacity will be filled by completing current projects

Stakeholders and the IASB have limited capacity to take on new projects

Feedback will help shape the IASB's thinking when determining how to prioritise its activities and new projects on its work plan. The IASB will also consider its own experience and expertise in determining its priorities.



B Summary of feedback received

Summary of feedback

Slides 9-11 provide an overview of the feedback received on the IASB's Request for Information.

You may also find the following IASB meeting papers, which provide a more detailed summary of the feedback received on the Request for Information, useful (click link to review):

- [Overview](#)
- [Strategic direction and balance of the Board's activities](#)
- [Criteria for assessing the priority of financial reporting issues](#)
- [Potential projects \(part 1\)](#)
- [Potential projects \(part 2\)](#)
- [Potential projects \(part 3\)](#)
- [Users of financial statements](#)
- [Other comments](#)

If you are interested, all comment letters can be found [here](#).

Third Agenda Consultation—feedback overview

1 *Strategic direction and balance of the IASB's activities*



- The IASB's strategic direction is **about right**; consider some **minor changes** to rebalance the level of focus.
- Set aside capacity for interactions with the proposed new International Sustainability Standards Board (ISSB) and to respond to emerging issues.
- Partnering with national standard-setters could help increase the IASB's capacity in some areas.

Activity	Current level of focus	Feedback
New IFRS Standards and major amendments	40%–45%	Decrease or leave unchanged
Maintenance and consistent application of IFRS Standards	15%–20%	Increase or leave unchanged
The <i>IFRS for SMEs</i> Standard	5%	Leave unchanged
Digital financial reporting	5%	Increase
Understandability and accessibility	5%	Increase
Stakeholder engagement	20%–25%	Leave unchanged

Third Agenda Consultation—feedback overview

2 Criteria for assessing the priority of accounting issues



- Stakeholders generally agreed with the IASB’s proposed **criteria** for assessing the priority of financial reporting issues.
- Stakeholders would like to understand how the criteria have been applied.
- Consider including all proposed criteria in the *Due Process Handbook*.

Overarching consideration

whether a potential project will meet investors’ needs, while taking into account the costs of producing the information

- ① the importance of the matter to **investors**
- ② whether there is a **deficiency** in current reporting
- ③ the **type of companies** affected and jurisdictions where the matter is more prevalent
- ④ how **pervasive or acute** the matter is likely to be for companies
- ⑤ the potential project’s **interaction with other projects**
- ⑥ the **complexity and feasibility** of the potential project and its solutions
- ⑦ the **capacity** of the IASB and its stakeholders to progress the potential project

Third Agenda Consultation—feedback overview

③ *Accounting issues that could be added to the work plan*



- We should not add too many **new projects** to the work plan as we will need capacity to deal with emerging issues and interaction with the proposed ISSB.
- Some projects are related and could be worked on at the same time—for example, intangible assets and cryptocurrencies.
- The IASB should work on climate-related risks and pollutant pricing mechanisms (PPM) together with the proposed ISSB.

Some of the most commonly suggested projects (in alphabetical order)

Climate-related risks (incl. PPM)



Cryptocurrencies and related transactions



Going concern



Intangible assets



Statement of cash flows and related matters





© IASB's decisions to date

IASB's decisions to date

1

Strategic direction and balance

- The IASB expects to make decisions in February
- Advice from this Advisory Council meeting will assist with the IASB's decision-making.

2

Criteria for assessing the priority of accounting issues

- In December 2021, the IASB decided not to make any changes to the list of criteria as proposed in the Request for Information (see slide 10)
- The staff has shared with the Trustees' Due Process Oversight Committee feedback from some stakeholders who recommended that the criteria be added to the *Due Process Handbook*. The staff believe that it is unnecessary to add these criteria to the *Due Process Handbook* because it could inhibit the IASB's ability to use different criteria in the future, depending on changes to the financial reporting environment.

3

Priority accounting issues that could be added to the IASB's work plan

- The IASB expects to make decisions in March / April
- Advice from this Advisory Council meeting will assist with the IASB's decision-making.



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