



IFRS® Foundation  
Agenda Paper 1C

# IASB's Third Agenda Consultation

*Possible staff recommendations on  
the IASB's strategic direction and  
balance*

IFRS Advisory Council  
January 2022

# Strategic direction and balance

## *Current state*

| Activity                                | Current level of focus | Current activities  | Feedback                    |
|---|------------------------|---|-----------------------------|
| New IFRS Standards and major amendments | 40%–45%                | <ul style="list-style-type: none"> <li>research and standard-setting projects</li> <li>required post-implementation reviews</li> </ul>  | Decrease or leave unchanged |
| Maintenance and consistent application  | 15%–20%                | <ul style="list-style-type: none"> <li>monitoring consistent application of IFRS Standards</li> <li>narrow-scope amendments and interpretations</li> <li>IFRS Interpretations Committee agenda decisions</li> <li>educational materials</li> <li>supporting regulators and national standard-setters in their role to support consistent application</li> </ul>                               | Increase or leave unchanged |
| The <i>IFRS for SMEs</i> Standard       | 5%                     | <ul style="list-style-type: none"> <li>periodic reviews of the Standard, and if necessary, amendments to the Standard</li> <li>educational materials</li> </ul>   | Leave unchanged             |
| Digital financial reporting             | 5%                     | <ul style="list-style-type: none"> <li>updates to the IFRS Taxonomy for new or amended Standards and common reporting practice</li> <li>educational materials to support use of the IFRS Taxonomy</li> <li>presentation and disclosure requirements that are ‘digital neutral’</li> <li>commentary in speeches and other discussions</li> <li>meetings as requested by regulators</li> </ul>  | Increase                    |
| Understandability and accessibility     | 5%                     | <ul style="list-style-type: none"> <li>reducing unnecessary complexity for companies, while improving information quality for investors</li> <li>drafting clear Standards</li> <li>publishing annotated Standards with cross-references and semi-annual compilations of agenda decisions</li> <li>providing tools for easier navigation of the electronic version of the Standards</li> </ul> | Increase                    |
| Stakeholder engagement                  | 20%–25%                | <ul style="list-style-type: none"> <li>general and project-specific meetings with stakeholders</li> <li>developing tailored materials to support various meetings with stakeholders</li> <li>engagement through comment letters received in response to formal consultation documents</li> </ul>  | Leave unchanged             |

# Strategic direction and balance

## *Possible staff recommendations (1/2)*

| Activity                                | Possible staff recommendation for 2022-2026 |  |
|---|---|--|
|   | Level of focus                              | Change in activities   |
| New IFRS Standards and major amendments | Small decrease                              | <p>Small reduction in focus to:</p> <ul style="list-style-type: none"> <li>• increase level of focus on activities below</li> <li>• decrease demands on stakeholders, who may also be engaging in ISSB standard-setting process and adopting IFRS Sustainability Disclosure Standards.</li> </ul> <p>Note that there appears to be some tension in stakeholder feedback.</p> <ul style="list-style-type: none"> <li>• Stakeholders generally agreed with or recommended a decrease in the capacity allocated to this activity.</li> <li>• However, in many cases, stakeholders also recommended that the IASB add more projects to its work plan than is possible to undertake, given the available capacity.</li> </ul> <p>See Agenda Paper 1D on implications on possible projects to add to the IASB's work plan.</p> |
| Maintenance and consistent application  | Unchanged                                   | Small increase in understandability activities on slide 4 will have indirect benefit on maintenance and consistent application.  |
| <i>IFRS for SMEs</i> Standard           | Unchanged                                   | Unchanged.   |

# Strategic direction and balance

## *Possible staff recommendations (2/2)*

| Activity                            | Possible staff recommendation for 2022-2026 |  |
|-------------------------------------|---|--|
|                                     | Level of focus                              | Change in activities   |
| Digital financial reporting         | Small increase                              | <p>Small increase in focus on further facilitating digital consumption of financial reports by investors because:</p> <ul style="list-style-type: none"> <li>• digital consumption of financial reporting continues to increase.</li> <li>• fragmentation of suboptimal adoption of IFRS Taxonomy reduces benefits of digital reporting and poses risks to capital markets.</li> <li>• ISSB would also benefit from work, given connectivity between IFRS Accounting Standards and IFRS Sustainability Disclosure Standards.</li> </ul> <p>Focus on:</p> <ul style="list-style-type: none"> <li>• consistent, global application of the IFRS Taxonomy</li> <li>• provision of useful and quality data by preparers</li> <li>• accessibility of data by investors</li> </ul> <p>By continuing to explore:</p> <ul style="list-style-type: none"> <li>• implications of digital consumption on IFRS Accounting Standards</li> <li>• improvements to IFRS Taxonomy</li> <li>• coordination with other digital ecosystem partners</li> </ul> |
| Understandability and accessibility | Small increase                              | <p>Small increase in understandability and accessibility (eg, exploring technological tools to improve accessibility of Standards in coordination with the ISSB), which will indirectly improve consistent application.</p>  |
| Stakeholder engagement              | Unchanged                                   | <p>Unchanged due to:</p> <ul style="list-style-type: none"> <li>• small reduction in engagement due to small reduction in projects to develop new IFRS Standards and major amendments, offset by</li> <li>• small increase to coordinate work with the ISSB.</li> </ul>  |

# Question 1 for Advisory Council members

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Based on the feedback received on the Request for Information and the staff's analysis to date:

- do you agree with the possible staff recommendations about the IASB's strategic direction and balance for 2022 to 2026?
- why or why not?

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