

STAFF PAPER

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Project	Third Agenda Consultation		
Paper topic	Potential projects—Other projects described in the Request for Information		
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Introduction and purpose

1. At its November meeting, the IASB discussed feedback from respondents to the Request for Information *Third Agenda Consultation* (Request for Information)¹ and other sources about financial reporting issues that could be added to the IASB's work plan (potential projects).²
2. As explained in paragraph 9 of Agenda Paper 24A—*Potential projects—Approach to staff analysis*, the staff analysis of potential projects is presented in three papers:
 - (a) Agenda Paper 24B—*Potential projects—Proposed short-listed projects*;
 - (b) this paper, which discusses the potential projects described in the Request for Information (other than the proposed short-listed projects); and
 - (c) Agenda Paper 24D—*Potential projects—Other suggestions*.

¹ See [Request for Information *Third Agenda Consultation*](#).

² See [Agenda Paper 24D Feedback summary—Potential projects \(part 1\)](#), [Agenda Paper 24E Feedback summary—Potential projects \(part 2\)](#), [Agenda Paper 24F Feedback summary—Potential projects \(part 3\)](#) and paragraphs 51–84 of [Agenda Paper 24G Feedback summary—Users of financial statements](#).

Potential projects described in the Request for Information

3. Appendix B of the Request for Information described 22 potential projects, based on outreach conducted when preparing the Request for Information.³ Agenda Paper 24B presents the staff analysis of seven of those potential projects (the proposed short-listed projects). This paper presents the staff analysis of the other 15 potential projects (in alphabetical order):
- (a) borrowing costs;
 - (b) commodity transactions;
 - (c) discontinued operations and disposal groups;
 - (d) discount rates;
 - (e) employee benefits;
 - (f) expenses—inventory and cost of sales;
 - (g) foreign currencies;
 - (h) government grants;
 - (i) income taxes;
 - (j) inflation;
 - (k) interim financial reporting;
 - (l) negative interest rates;
 - (m) other comprehensive income;
 - (n) separate financial statements; and
 - (o) variable and contingent consideration.
4. Also, as explained in paragraph 47 of Agenda Paper 24B, the staff analysis of one aspect of a potential project on going concern (the basis of preparation of the financial statements when the going concern basis is not applied) is presented in this paper.

³ See [Request for Information Third Agenda Consultation](#).

5. Three of the projects listed in paragraph 3—discontinued operations and disposal groups, inflation, and variable and contingent consideration—are currently research pipeline projects.⁴ Paragraph 26 of the Request for Information explained that these projects were not started because of the need to devote resources to other projects. These projects were included in Appendix B of the Request for Information to obtain feedback on whether these projects are still a priority. Therefore, the staff analysis presented in this paper also includes these research pipeline projects.
6. As explained in Agenda Paper 24A, the staff analysis of potential projects is based on:
- (a) feedback from respondents. Feedback about the potential projects described in Appendix B of the Request for Information is summarised in the following papers discussed at the November 2021 meeting:
 - (i) Agenda Paper 24D—*Feedback summary—Potential projects (part 1)*.⁵
 - (ii) paragraph 6(a) of Agenda Paper 24F—*Feedback summary—Potential projects (part 3)*.⁶
 - (iii) paragraphs 51–83 of Agenda Paper 24G—*Feedback summary—Users of financial statements*.⁷
 - (b) the criteria that the IASB has tentatively decided to use for deciding whether to add a project to its work plan:
 - (i) the importance of the matter to investors.⁸
 - (ii) whether there is any deficiency in the way companies report the type of transaction or activity in financial reports.

⁴ In the case of inflation, the research pipeline project is focused on whether to extend the scope of IAS 29 *Financial Reporting in Hyperinflationary Economies* to include economies experiencing high inflation. The description of a potential project on inflation in the Request for Information included that scope issue and some other issues relating to IAS 29.

⁵ See [Agenda Paper 24D Feedback summary—Potential projects \(part 1\)](#).

⁶ See [Agenda Paper 24F Feedback summary—Potential projects \(part 3\)](#).

⁷ See [Agenda Paper 24G Feedback summary—Users of financial statements](#).

⁸ The IASB used the term ‘investors’ in the Request for Information to refer to the primary users of financial statements, defined in the *Conceptual Framework for Financial Reporting* as existing and potential investors, lenders and other creditors.

- (iii) the type of companies that the matter is likely to affect, including whether the matter is more prevalent in some jurisdictions than others.
 - (iv) how pervasive or acute the matter is likely to be for companies.
 - (v) the potential project’s interaction with other projects on the work plan.
 - (vi) the complexity and feasibility of the potential project and its solutions.
 - (vii) the capacity of the IASB and its stakeholders to make timely progress on the potential project.
7. Further information about the approach to the staff analysis of potential projects is set out in paragraphs 4–12 of Agenda Paper 24A. For example, as explained in paragraph 12(a) of Agenda Paper 24A, the staff analysis of the potential projects discussed in this paper is less detailed than the staff analysis presented in Agenda Paper 24B for the proposed short-listed projects. However, if the IASB disagrees with the staff view about which potential projects should be short-listed, the staff will provide a more detailed analysis of any other potential projects that the IASB decides should be included on the shortlist.
8. Table 1 sets out the staff analysis of the potential projects listed in paragraphs 3–4.

Table 1—Staff analysis of other potential projects described in Appendix B of the Request for Information

Importance to investors	Any deficiency in reporting	Entities or jurisdictions affected	How pervasive or acute	Interaction with other projects	Complexity and feasibility	IASB and stakeholder capacity
Borrowing costs						
In general, this topic does not seem particularly important to users. Most users who commented on this potential project rated it as medium priority. Only one user rated it as high priority and did not provide a reason. ⁹	Feedback from some respondents indicates that some deficiencies in reporting could exist, in particular, the treatment of borrowing costs incurred to construct assets for sale to customers.	Feedback indicates the specific matter raised by some respondents mostly affects some entities in the construction sector that recognise revenue over time. Respondents who rated the potential project as high priority were mainly from Asia.	In general, feedback indicates that any issues with IAS 23 ¹⁰ are not pervasive or acute. Many respondents rated this potential project as low priority. Their comments included that they were not aware of urgent practice issues. However, entities affected by the specific matter raised by some respondents would likely regard it as acute.	A potential project on borrowing costs could interact with a project on foreign currencies.	A targeted project to address the specific matter raised by some respondents is unlikely to be feasible because any change to IAS 23 to address that matter is likely to have broader consequences and could have interactions with the requirements in IFRS 15 ¹¹ on recognition of revenue over time. Hence, a more comprehensive review of IAS 23 may be needed to consider that issue (and other issues raised), which could be complex.	As stated in the Request for Information, a comprehensive review of IAS 23 is likely to be a medium-sized project.
Commodity transactions						

⁹ One user, a survey respondent, rated all potential projects in Appendix B of the Request for Information as high priority and did not provide reasons for those ratings.

¹⁰ IAS 23 *Borrowing Costs*.

¹¹ IFRS 15 *Revenue from Contracts with Customers*

Importance to investors	Any deficiency in reporting	Entities or jurisdictions affected	How pervasive or acute	Interaction with other projects	Complexity and feasibility	IASB and stakeholder capacity
In general, this topic does not seem important to users. Many users who commented on this potential project rated it as low priority. One user rated it as high priority and did not provide a reason. ⁹ A user representative body rated it as high priority and said there is a range of non-financial assets that call for more guidance, including cryptocurrencies, commodities and emission allowances held for investment purposes.	Feedback from some respondents indicates that some deficiencies in reporting exist, in particular: <ul style="list-style-type: none"> the lack of specific requirements for some types of commodity transactions (such as commodity loans) results in diversity in practice. concerns about the current reporting of commodities, cryptocurrencies and emission allowances used as ‘currency’ or held for investment purposes. 	Feedback indicates that the matters raised by some respondents could affect various types of entities, so are not limited to particular types of entities. Respondents who rated the potential project as high priority were mainly from Asia.	Feedback from some respondents indicates that commodity transactions, particularly commodity loans, are becoming more common. However, overall, the matters raised by some respondents do not appear to be pervasive or acute. Many respondents rated this potential project as low priority. Their comments included that commodity transactions are not widespread.	A project on commodity transactions could interact with the post-implementation review of IFRS 9. ¹² It also could interact with a project on intangible assets, cryptocurrencies or pollutant pricing mechanisms.	Developing requirements for common types of commodity transactions (such as commodity loans) is likely to be complex. A broader project on commodity transactions is also likely to be complex, given the wide range of such transactions. Some potential solutions might not be feasible, for example, determining the scope of any detailed guidance on commodity loans could be difficult and have unintended consequences. ¹³	As stated in the Request for Information: <ul style="list-style-type: none"> developing requirements for some common types of commodity transactions is likely to be a medium-sized project. undertaking a broader project on commodity transactions is likely to be a large project.
Discontinued operations and disposal groups						
Feedback indicates that this topic is of some importance to users, as some rated it	Feedback indicates that some deficiencies in reporting exist, including practical	Feedback indicates that the matters raised by some respondents could affect various	It is unclear whether the matters identified in respondents’ comments are	No significant interaction with other projects.	Addressing the matters raised by respondents would likely require a	As noted in the Request for Information, a comprehensive

¹² IFRS 9 *Financial Instruments*.

¹³ In its March 2017 agenda decision [Commodity loans](#), the IFRS Interpretations Committee noted that the wide range of transactions involving commodities means that any narrow-scope standard-setting activity would be of limited benefit to entities and would have a high risk of unintended consequences.

Importance to investors	Any deficiency in reporting	Entities or jurisdictions affected	How pervasive or acute	Interaction with other projects	Complexity and feasibility	IASB and stakeholder capacity
as high priority. However, overall, users expressed mixed views, as some other users rated it as medium priority and some rated it as low priority. ¹⁴	issues with applying IFRS 5 ¹⁵ and concerns about the usefulness of the resulting information to users. Some respondents referred to concerns raised in the 2015 Agenda Consultation and various issues submitted to the IFRS Interpretations Committee, as described in the Request for Information.	types of entities, when an entity has a discontinued operation or disposal group, as defined in IFRS 5. Respondents who rated the potential project as high priority were mainly from Asia and Europe.	pervasive or acute, given the mixed feedback from respondents overall. For example, different views were expressed about the frequency of the transactions to which the Accounting Standard applies and whether addressing issues with IFRS 5 were a priority.		comprehensive review of IFRS 5, as suggested by many respondents who rated this project as high priority. Such a project is likely to be relatively complex and, in some cases, questions about the feasibility of potential solutions may arise, given the range of issues to be addressed and, in some cases, differing views on potential solutions.	review of IFRS 5 is likely to be a medium-sized project.
Discount rates						
Feedback indicates that this topic is of some importance to users. Of those users who commented on this potential project, some rated it as high priority and all rated it as either high or medium priority. ¹⁶	Feedback indicates that some deficiencies exist. However, in general, the matters raised do not necessarily relate to the outcomes of applying the requirements in IFRS	Because discount rates are commonly used in Accounting Standards, the matters identified by respondents have the potential to affect all types of entities across all jurisdictions.	Feedback indicates that the matters identified in respondents' comments are relatively pervasive, given the potential to affect all types of entities across all jurisdictions.	A project on discount rates would interact with any project on financial reporting requirements in Accounting Standards that involve the use of discount rates, such as the Goodwill and Impairment project	A project on discount rates would be complex. Also, the feasibility of potential solutions is doubtful. The IASB's research project on discount rates found that some variations in requirements arise	As indicated in the Request for Information, a project to reconsider the requirements in all Accounting Standards on discount rates and, when appropriate, eliminate variations in those requirements, is

¹⁴ See paragraphs 69–71 of [Agenda Paper 24G Feedback summary—Users of financial statements](#) from the November 2021 meeting for more information.

¹⁵ IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

¹⁶ See paragraphs 72–73 of [Agenda Paper 24G Feedback summary—Users of financial statements](#) from the November 2021 meeting for more information.

Importance to investors	Any deficiency in reporting	Entities or jurisdictions affected	How pervasive or acute	Interaction with other projects	Complexity and feasibility	IASB and stakeholder capacity
	<p>Accounting Standards but rather relate to:</p> <ul style="list-style-type: none"> • complexity arising from the variations in the discount-rate requirements in Accounting Standards. • difficulties in understanding why different discount rates are used. 	<p>However, the extent of those effects could vary. For example, requirements on discount rates significantly affect financial services entities.</p>	<p>However, those matters are not necessarily acute, as they primarily relate to the complexity and understandability of the requirements in Accounting Standards rather than the outcomes of applying those requirements.</p>	<p>and the Rate Regulated Activities project.</p>	<p>because of different measurement bases used in Accounting Standards. Other variations arise because Accounting Standards were developed at different times and focused on different areas. Eliminating some of those variations may be feasible but would likely be complex. In the research project, staff developed a summary of matters to consider in future standard-setting work, which is now being used.</p>	<p>likely to be a large project.</p>
Employee benefits						
<p>In general, this topic does not seem particularly important to users. Most users who commented on this potential project rated it as medium priority. One user rated it as high priority but did not provide a reason.⁹ Another user rated it</p>	<p>Feedback indicates that some deficiencies in reporting exist. Issues raised by some respondents mainly related to:</p> <ul style="list-style-type: none"> • accounting for hybrid pension plans • determining the discount rate 	<p>Feedback indicates that the matters raised by some respondents affect various types of entities. Respondents who rated this potential project as high priority were from various jurisdictions across most regions.</p>	<p>In general, feedback indicates that issues raised by some respondents are not pervasive or acute. For example, many respondents rated this potential project as low priority. Some said that there is limited evidence of urgent practice issues.</p>	<p>A project on employee benefits could interact with a project on discount rates and a project on other comprehensive income.</p>	<p>A project on employee benefits is likely to be complex and there are questions about the feasibility of potential solutions. The IASB previously proposed changes to the discount rate requirements but decided to address</p>	<p>As stated in the Request for Information:</p> <ul style="list-style-type: none"> • a project to review aspects of the discount rate requirements is likely to be a medium-sized project. • a project to develop accounting

Importance to investors	Any deficiency in reporting	Entities or jurisdictions affected	How pervasive or acute	Interaction with other projects	Complexity and feasibility	IASB and stakeholder capacity
as high priority and said that employee benefits are the biggest cost for most businesses, and they had concerns about divergence in accounting practice for new types of employee benefits.	<ul style="list-style-type: none"> the need to consider other changes to defined benefit plan accounting (including recycling from other comprehensive income). 		Some acknowledged issues with IAS 19 ¹⁷ but thought resolving those issues would be difficult and doing so was less important because defined benefit plans are becoming less prevalent.		measurement issues only in the context of a fundamental review of IAS 19. ¹⁸ A previous long-term research project on pension plans was discontinued following the 2015 Agenda Consultation. ¹⁹	<p>requirements for hybrid pension plans is likely to be a large project.</p> <ul style="list-style-type: none"> a comprehensive review of IAS 19 is likely to be a large project. <p>Research previously conducted by the IASB, national standard-setters and professional bodies could inform the IASB's work.</p>
Expenses—inventory and cost of sales						
In general, this topic does not seem particularly important to users. Almost all users who commented on this potential project rated it as medium or low priority. Only one user rated it as high priority and did not provide a reason. ⁹	Feedback indicates that some deficiencies in reporting exist. Issues raised by some respondents mainly related to diversity in practice about which costs are included in cost of sales and other issues as described in the Request for Information.	Some of the issues raised affect particular types of entities. For example, issues relating to cost of sales affect entities that present a cost of sales line item in their income statement, which is more common for some	In general, feedback indicates that issues raised by some respondents are not pervasive or acute. For example, many respondents rated this potential project as low priority. Some respondents said that stakeholders have not highlighted	A project on inventory and cost of sales could interact with the Primary Financial Statements project.	A project on inventory and cost of sales is likely to be complex and there are questions about the feasibility of potential solutions. For example, developing guidance on cost of sales that is operable for different types of entities across	As noted in the Request for Information, a project to comprehensively review the accounting for inventory and cost of sales is likely to be a large project.

¹⁷ IAS 19 *Employee Benefits*.

¹⁸ See [October 2009 IASB Update](#).

¹⁹ See [May 2016 IASB Update](#).

Importance to investors	Any deficiency in reporting	Entities or jurisdictions affected	How pervasive or acute	Interaction with other projects	Complexity and feasibility	IASB and stakeholder capacity
		types of entities, such as manufacturers. Many respondents who rated the potential project as high priority were from Asia.	significant or urgent issues in practice.		multiple jurisdictions is likely to be difficult.	
Foreign currencies						
In general, this topic does not seem particularly important to users. Almost all users who commented on this potential project rated it as medium or low priority. Only one user rated it as high priority and did not provide a reason. ⁹	Feedback indicates that some deficiencies in reporting exist. Some respondents raised issues about: <ul style="list-style-type: none"> determining an entity’s functional currency determining which rate to use when multiple rates exist accounting for assets and liabilities denominated in a foreign currency when the exchange rate is volatile inconsistencies in the application of IAS 21.²⁰ 	The issues raised by respondents are likely to affect entities with significant foreign currency transactions. Most respondents who rated the potential project as high priority were from Africa, Asia or Latin America.	In general, feedback indicates that issues raised by some respondents are not pervasive or acute. For example, most respondents rated this potential project as low priority. Some of those respondents said that there is little evidence of widespread or urgent issues.	A project on foreign currencies could interact with a project on inflation. It also could interact with a project on borrowing costs and a project on other comprehensive income.	A project on foreign currencies is likely to be complex. The IASB has previously undertaken research on issues relating to IAS 21 (including at least some of the issues raised by respondents), following the 2011 Agenda Consultation. The IASB decided not to undertake further work on the research project following the 2015 Agenda Consultation. ²¹ The IFRS Interpretations	As noted in the Request for Information: <ul style="list-style-type: none"> a project to comprehensively review IAS 21 is likely to be a large project. a targeted project to improve aspects of IAS 21 is likely to be a medium-sized project. Research previously conducted by the IASB and a national standard-setter could inform the IASB’s work.

²⁰ IAS 21 *The Effects of Changes in Foreign Exchange Rates*.

²¹ See [May 2016 IASB Update](#).

Importance to investors	Any deficiency in reporting	Entities or jurisdictions affected	How pervasive or acute	Interaction with other projects	Complexity and feasibility	IASB and stakeholder capacity
					Committee has also addressed related application questions submitted to it.	
Going concern—basis of preparation when the going concern basis is not applied						
In general, this topic does not seem particularly important to users. Most users who rated a potential project on going concern as high priority did not comment on this specific topic. One user said that, in practice, most companies that fail are reorganised rather than being liquidated and that liquidation accounting for reorganised companies is not helpful.	Feedback from some respondents indicates that deficiencies in reporting exist. IAS 1 ²² does not specify an alternate basis for preparing financial statements if the entity is no longer a going concern. Feedback indicates that the lack of any such requirements has led to diversity in practice.	The matter raised by respondents is not limited to particular types of entities. However, the prevalence of that matter across jurisdictions is unclear. For example, the circumstances in which an entity that is no longer a going concern would continue to prepare financial statements applying Accounting Standards are unclear.	For affected entities, the matter would likely be pervasive, given that determining the basis of preparation of financial statements when an entity is no longer a going concern would likely have a pervasive effect on that entity’s financial statements. However, from a broader perspective, whether the matter is acute depends on the prevalence of the matter across jurisdictions, which is unclear.	The nature and extent of interactions with other projects is unclear. It would depend on what accounting solutions the IASB might develop. In particular, such a project would likely include considering the interaction between the basis of preparation when the going concern assumption is not applied and other requirements in Accounting Standards, which are based upon the going concern assumption.	Developing requirements that specify the basis of preparation when the going concern assumption is not applied would likely be complex. The feasibility of potential solutions is unclear without more research, such as research on the different approaches applied in practice.	As noted in the Request for Information, a project to develop requirements that specify the basis of accounting when an entity is no longer a going concern is likely to be a large project.
Government grants						
In general, this topic does not seem particularly important	Feedback indicates that some deficiencies in reporting exist.	Feedback indicates that the matters raised by some respondents	Feedback indicates that the matters raised by some respondents	A project on government grants could interact with	A project on government grants is likely to be somewhat	As noted in the Request for Information, a project

²² IAS 1 *Presentation of Financial Statements*.

Importance to investors	Any deficiency in reporting	Entities or jurisdictions affected	How pervasive or acute	Interaction with other projects	Complexity and feasibility	IASB and stakeholder capacity
<p>to users. Most users who commented on this potential project rated it as medium or low priority. One user rated it as high priority and did not provide a reason.⁹ A user representative group said investors need better information about government grants and other assistance received during the pandemic, and that need remains.</p>	<p>Some respondents said IAS 20²³ is an old standard that needs updating, particularly given the increase in government assistance during the pandemic. Issues raised included:</p> <ul style="list-style-type: none"> • inconsistency between IAS 20 and recent Accounting Standards and the <i>Conceptual Framework</i>.²⁴ • lack of comparability because of the accounting choices in IAS 20. 	<p>could affect various types of entities. Many respondents who rated the potential project as high priority were from Africa or Asia.</p>	<p>have become more pervasive than previously because of increased government assistance provided during the pandemic. However, overall, those matters do not appear to be pervasive or acute, as many respondents rated this potential project as low priority. Comments included that there is limited evidence of urgent practice issues and that any issues with IAS 20 were not significant.</p>	<p>the Provisions—Targeted Improvements project. It also could interact with a project on pollutant pricing mechanisms.</p>	<p>complex. For example, it would likely involve considering how concepts and principles from the <i>Conceptual Framework</i> and recent Accounting Standards would apply to government grants and other assistance. Questions about the feasibility of some potential solutions might arise, given the range of different types of government grants and other assistance.</p>	<p>on government grants is likely to be a medium-sized project. Research already conducted by some national standard-setters could inform the IASB’s work.</p>
Income taxes						
<p>Feedback indicates that this topic is of some importance to users. Some rated it as high priority and almost all users who</p>	<p>Feedback from some respondents indicates that some deficiencies in reporting exist, particularly relating to disclosures.</p>	<p>Users’ comments on the need for enhanced disclosures would likely affect most entities across all jurisdictions.</p>	<p>Overall, the feedback suggests that apart from disclosures, any deficiencies in reporting are not pervasive or acute.</p>	<p>A project on income taxes might have some interactions with other projects, such as the Primary Financial Statements</p>	<p>A project on income taxes would involve some complexity, even if the project’s scope was limited to developing enhanced</p>	<p>As indicated in the Request for Information:</p> <ul style="list-style-type: none"> • a comprehensive review of IAS 12 is

²³ IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*.

²⁴ *Conceptual Framework for Financial Reporting (Conceptual Framework)*.

Importance to investors	Any deficiency in reporting	Entities or jurisdictions affected	How pervasive or acute	Interaction with other projects	Complexity and feasibility	IASB and stakeholder capacity
commented on this potential project rated it as high or medium priority. ²⁵ However, none were in favour of a comprehensive review of IAS 12. ²⁶ Their comments mostly focused on the need for enhanced disclosures about income taxes.	However, overall, the feedback suggests that apart from disclosures, any deficiencies in reporting are not significant or of widespread concern.	Respondents who rated this potential project as high priority included respondents across all regions.	Feedback from users indicates that the need for enhanced disclosures is somewhat pervasive and acute.	project, which is developing disaggregation principles.	disclosures. Questions might also arise about the feasibility of potential solutions.	likely to be a large project. <ul style="list-style-type: none"> developing enhanced disclosures about income taxes is likely to be a medium-sized project. Research previously conducted by the IASB, some national standard-setters and professional bodies could inform the IASB's work.
Inflation						
In general, this topic does not seem important to users. Many users who commented on this potential project rated it as low priority. Two users rated it as high priority but did not provide a reason.	Feedback indicates that some deficiencies in reporting exist. Issues raised included: <ul style="list-style-type: none"> extending the scope of IAS 29²⁷ to include economies subject to high inflation. 	The matters raised by some respondents affect entities whose functional currency is the currency of an economy with high inflation or hyperinflation. Respondents who rated the potential project as high	For affected entities, the matters raised by respondents are likely to be pervasive and some respondents consider them to be acute. However, overall, those matters do not appear to be pervasive or acute at	A project on inflation could interact with a project on foreign currencies. Also, it may be necessary to consider revisions to Chapter 8 of the <i>Conceptual Framework</i> , which discusses concepts of	A project on inflation is likely to be complex. Questions about the feasibility of potential solutions also arise. For example, a few respondents raised concerns about the implications of extending the scope	As indicated in the Request for Information: <ul style="list-style-type: none"> a project to assess whether to extend the scope of IAS 29 is likely to be a small project. a project o comprehensively

²⁵ See paragraphs 76–77 of [Agenda Paper 24G Feedback summary—Users of financial statements](#) from the November 2021 meeting for more information.

²⁶ IAS 12 *Income Taxes*.

²⁷ IAS 29 *Financial Reporting in Hyperinflationary Economies*.

Importance to investors	Any deficiency in reporting	Entities or jurisdictions affected	How pervasive or acute	Interaction with other projects	Complexity and feasibility	IASB and stakeholder capacity
	<ul style="list-style-type: none"> the need for a comprehensive review of IAS 29 to address application issues. the usefulness of information provided by applying IAS 29. 	priority were mostly from Africa, Asia or Latin America.	present. Most respondents rated this potential project as low priority. Their comments included that high inflation or hyperinflation is not prevalent for most economies.	capital and capital maintenance.	of IAS 29. It also may be difficult to consider extending the scope of IAS 29 without also addressing application issues.	review IAS 29 is likely to be a large project. Research conducted by some national standard-setters could inform the IASB’s work.
Interim financial reporting						
Feedback indicates that this topic is of some importance to users, as some rated it as high priority. However, overall, users expressed mixed views, as some other users rated it as medium priority and some rated it as low priority. ²⁸	Overall, feedback provides little evidence of deficiencies in reporting. While some respondents rated this potential project as high priority, most of them did not provide a reason for that view. A few respondents said the IASB should review IAS 34 ²⁹ or address interim accounting issues as each new IFRS Standard or major	Feedback does not provide an indication of whether any particular types of entities or particular jurisdictions might be affected.	In general, feedback indicates that any issues with IAS 34 are not pervasive or acute. For example, most respondents rated this potential project as low priority. Some said that they were not aware of significant or widespread issues with IAS 34.	A project on interim financial reporting could interact with the Primary Financial Statements project. It also could interact with many other projects if the IASB were to address interim accounting issues as each new IFRS Standard or major amendment is developed.	It is unclear whether a project on interim financial reporting would be complex or whether questions about the feasibility of potential solutions might arise, given insufficient feedback to determine what the scope of such a project might be.	The Request for Information described several different approaches to a project on interim financial reporting. For example: <ul style="list-style-type: none"> A project to address interim accounting issues as each new Accounting Standard or major amendment is developed is likely to be a series of small or medium-sized additions to every project.

²⁸ See paragraphs 78-79 of [Agenda Paper 24G Feedback summary—Users of financial statements](#) from the November 2021 meeting for more information.

²⁹ IAS 34 *Interim Financial Reporting*

Importance to investors	Any deficiency in reporting	Entities or jurisdictions affected	How pervasive or acute	Interaction with other projects	Complexity and feasibility	IASB and stakeholder capacity
	amendment is developed.					<ul style="list-style-type: none"> A comprehensive review of IAS 34 to is likely to be a large project.
Negative interest rates						
Feedback indicates that this topic is of some importance to users, as some rated it as high priority. However, overall, users expressed mixed views, as some other users rated it as medium priority and some rated it as low priority. ³⁰	Feedback indicates that some deficiencies in reporting exist. Comments from some respondents included: <ul style="list-style-type: none"> more guidance is needed on measuring assets and liabilities when interest rates are negative, and on presenting the related income and expenses. diversity in practice exists, particularly when measuring liabilities. 	The matters raised by some respondents could affect entities operating in an economic environment in which interest rates are negative. With recent increases in interest rates, it seems that fewer jurisdictions have negative interest rates.	In general, feedback indicates that matters raised by some respondents are not pervasive or acute. For example, many respondents rated this potential project as low priority. Some said that negative interest rates were not a major issue in practice.	A project on negative interest rates could interact with various current and potential projects, such as the Post-Implementation Review of IFRS 9, Provisions—Targeted Improvements and the potential project on discount rates.	A project on negative interest rates could be complex and questions about the feasibility of potential solutions might arise. For example, as noted in the Request for Information, some stakeholders said that discounting future cash flows using negative interest rates produces results that are difficult to understand. However, resolving that issue could be difficult, as it stems from the unusual nature of negative interest rates.	As noted in the Request for Information, a project to develop specific requirements for negative interest rates is likely to be a medium-sized project.
Other comprehensive income						
Feedback indicates that this topic is of some importance to	Feedback indicates that some deficiencies in reporting exist.	The matters raised by some respondents have the potential to	Whether the matters identified by some respondents are	A project on other comprehensive income would	A project on other comprehensive income is likely to be	As indicated in the Request for Information, a project

³⁰ See paragraphs 80–81 of [Agenda Paper 24G Feedback summary—Users of financial statements](#) from the November 2021 meeting for more information.

Importance to investors	Any deficiency in reporting	Entities or jurisdictions affected	How pervasive or acute	Interaction with other projects	Complexity and feasibility	IASB and stakeholder capacity
users, as some rated it as high priority. Most users who commented on this potential project rated it as high or medium priority. ³¹	<p>Matters raised by some respondents primarily relate to:</p> <ul style="list-style-type: none"> • variations in the requirements in Accounting Standards on the use of other comprehensive income and recycling. • the usefulness of the resulting information for users of the financial statements. • the conceptual basis for the use of other comprehensive income and recycling. 	<p>affect all types of entities across all jurisdictions, so are not limited to particular types of entities or particular jurisdictions. However, the extent of those effects will vary, depending on the extent to which entities have income and expense items to which the requirements on other comprehensive income apply.</p>	<p>pervasive is unclear, given that the extent to which those matters affect specific entities will vary, as previously noted. Overall, the mixed feedback from respondents on the priority of this potential project indicates that the matters raised by some respondents do not seem to be acute.</p>	<p>interact with other current projects in which other comprehensive income is used, such as the Post-Implementation Review of IFRS 9. A project on other comprehensive income also could interact with some other potential projects, such as employee benefits and foreign currencies.</p>	<p>complex and questions about the feasibility of potential solutions could arise. For example, when developing the <i>Conceptual Framework</i>, the IASB concluded it was not possible to develop a robust conceptual definition of other comprehensive income.³² Also, eliminating variations in the requirements in Accounting Standards would depend on the reasons for those requirements and whether those reasons remain important considerations.</p>	<p>on the use of other comprehensive income and recycling is likely to be a large project. Research already conducted by the IASB and some standard-setters and professional bodies could inform the IASB’s work.</p>
Separate financial statements						
In general, this topic does not seem particularly important to users. Most users	Feedback indicates that some deficiencies in reporting exist. Some said that more	The matters raised by some respondents are likely to affect those entities that operate in	In general, feedback indicates that matters raised by some respondents are not	A project on separate financial statements could interact with some other projects,	A project on separate financial statements could be complex and questions about the	As noted in the Request for Information:

³¹ See paragraph 82 of [Agenda Paper 24G Feedback summary—Users of financial statements](#) from the November 2021 meeting for more information.

³² See paragraphs BC7.17 and BC7.21–BC7.25 of the Basis for Conclusions on the *Conceptual Framework* for more information.

Importance to investors	Any deficiency in reporting	Entities or jurisdictions affected	How pervasive or acute	Interaction with other projects	Complexity and feasibility	IASB and stakeholder capacity
who commented on this potential project rated it as medium or low priority. Only one user rated it as high priority and did not provide a reason. ⁹	guidance is needed than provided in IAS 27. ³³ A few commented on specific issues, such as the application of the expected credit loss model in IFRS 9 to intra-group loans and hedge accounting within groups.	a jurisdiction with a legal requirement to prepare separate financial statements. Respondents who rated the potential project as high priority were mainly from Asia and Europe.	pervasive or acute. For example, many respondents rated this potential project as low priority. Their comments included that any issues in practice are not of widespread concern and would be difficult to resolve in a timely manner.	such as the Post-Implementation Review of IFRS 9.	feasibility of potential solutions might arise. For example, some jurisdictions have jurisdiction-specific requirements on some matters affecting separate financial statements, such as distributable profits.	<ul style="list-style-type: none"> • a project to address some specific application issues separately is likely to be a series of small projects or a medium-sized project. • a project to undertake a comprehensive review of IAS 27 is likely to be a large project.
Variable and contingent consideration						
In general, this topic does not seem particularly important to users. Almost all users who commented on this potential project rated it as medium or low priority. Only one user rated it as high priority and did not provide a reason. ⁹	Feedback indicates that some deficiencies in reporting exist. Matters raised by some respondents mainly relate to: <ul style="list-style-type: none"> • either the lack of or inconsistent requirements in Accounting Standards. • diversity in practice and information that is not useful. 	Feedback indicates that the matters raised by some respondents affect various types of entities. Respondents who rated this potential project as high priority were from various jurisdictions across most regions	It is unclear whether the matters identified by some respondents are prevalent or acute. For example, some respondents who rated this potential project as high priority said such transactions are prevalent. However, some other respondents who rated this potential project as low priority	A potential project on variable and contingent consideration could interact with some current projects, such as the Goodwill and Impairment project. It also could interact with some potential projects, such as intangible assets.	A project on variable and contingent consideration is likely to be complex and questions about the feasibility of potential solutions might arise. For example, as noted by some respondents, developing a consistent approach across all Accounting Standards might be difficult. One such difficulty is that	As noted in the Request for Information: <ul style="list-style-type: none"> • A project to consider amendments to IAS 16, IAS 38 and IFRIC 12 is likely to be a medium-sized project. • A project to develop a consistent approach for all Accounting

³³ IAS 27 *Separate Financial Statements*.

Importance to investors	Any deficiency in reporting	Entities or jurisdictions affected	How pervasive or acute	Interaction with other projects	Complexity and feasibility	IASB and stakeholder capacity
	<ul style="list-style-type: none"> the need to consider amendments to IAS 16, IAS 38 and IFRIC 12, as discussed in the Request for Information.³⁴ 		said that such transactions are not prevalent and any issues in practice are not of widespread concern.		recently-issued Accounting Standards have addressed the issue in different ways.	Standards is likely to be a large project. Research already conducted or being conducted by some standard-setters and professional bodies could inform the IASB's work.

Questions for the IASB

1. Does the IASB have any comments or questions on the analysis of the potential projects discussed in this paper?
2. Does the IASB agree that none of these potential projects should be included on the shortlist for further discussion in April?

³⁴ IAS 16 *Property, Plant and Equipment*, IAS 38 *Intangible Assets* and IFRIC 12 *Service Concession Arrangements*.