Meeting summary

Global Preparers Forum

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This document summarises a meeting of the Global Preparers Forum (GPF), a group of members with considerable practical experience of financial reporting and established commentators on accounting matters in their own right or through working with representative bodies in which they are involved. The GPF supports the IFRS Foundation and the International Accounting Standards Board (IASB) in their objectives, and contributes towards the development, in the public interest, of high-quality, understandable, enforceable and globally accepted IFRS Accounting Standards.

GPF members who attended the meeting

Region	Members
Africa	Godfrey Byekwaso[a]
Asia-Oceania	Amrita Srikanth[a] Feifei Wang[a] Lily Hu Kazuhiro Sakaguchi Srinath Rajanna
Europe	Ian Bishop Steven Morris[a] Stefan Salentin[a]
The Americas	Jeff Davidson Michael Tovey Patrick Matos[a]

[a] Remote participation via videoconference.

IAS 37 Provisions, Contingent Liabilities and Contingent Assets—Discount rates

1. This session sought GPF members' views on the discount rates entities use to measure provisions within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The discussion focused on long-term asset decommissioning and environmental rehabilitation provisions.

Discount rates used

2. The staff explained that entities use various discount rates to determine the present value of a provision that will be settled in the future. Some entities use market-based risk-free rates; other entities use higher rates that reflect the risk that the entity will be unable to fulfil its obligations (non-performance risk).

3. Members were asked for their views on:

   (a) which of these two rates provides the more accurate depiction of an asset decommissioning or environmental rehabilitation provision;

   (b) how an entity might quantify the non-performance risk associated with such a provision; and

   (c) what costs an entity might incur in quantifying that risk, calculating the required risk adjustment and disclosing information about the adjustment.

4. One member reported that his company has environmental (closure) liabilities relating to its mining activities. His company uses a risk-free discount rate, and he would like it to continue to do so. Risk-free rates are observable, whereas rates that include non-performance risk require more judgement and could lead to more variability in the discount rates used. His company commits to environmental rehabilitation—non-performance is a minor risk relative to the other uncertainties in the estimate, and he would be unsure of how to quantify it, or how to justify an estimate to an auditor. Furthermore, reporting changes in non-performance risk could be self-incriminating.

5. Other members also said they would prefer IAS 37 to require a risk-free discount rate. Their reasons included that:

   (a) risk-free rates are observable so can be determined objectively. In contrast, the non-performance risk associated with a provision is subjective—the adjustment would be difficult to estimate and audit. Quantifying non-performance risk would sometimes require outside expertise, which could be costly and time-consuming. The cost and effort required would be unwarranted for an adjustment that will reverse over time as the discount unwinds.

   (b) IAS 37 requires an entity to report its obligations, not its ability or intentions to fulfil those obligations. References to risk in IAS 37 relate to uncertainty about the resources that will be required to settle a provision. The entity's own creditworthiness is not a factor in assessing that uncertainty.

   (c) the outcomes of incorporating non-performance risk into the discount rate are counterintuitive—entities with a poor credit rating report smaller liabilities and those with weakening credit ratings report gains and increases in shareholder wealth. For this reason, other IFRS Accounting Standards—for example, IAS 19 *Employee Benefits*—require discount rates that exclude entity-specific non-performance risk.

   (d) decommissioning and environmental provisions often carry a low risk of non-performance. Such liabilities are difficult to avoid—they transfer with businesses and assets to new owners. Furthermore, non-performance risk might be mitigated by performance guarantees, which are reported separately as contingent liabilities, so the discount rate should reflect only the time value of money. Non-performance risk is less important than the other drivers of uncertainty in the measure of a provision—adjusting for that risk implies a degree of precision in the measure that does not exist.

(e) investors need information that helps them assess an entity's ability to finance its obligations, but there are better ways of providing that information than forcing it into an adjustment to a single number on the statement of financial position. Investors struggle to understand non-standard discount rates. Investors are best served if entities apply a straightforward, transparent and consistent approach to calculating a provision. Two members said that, in their experience, most investors would rather make their own assessment of an entity's credit risk than rely on the entity's calculations.

(f) asset decommissioning and environmental rehabilitation activities are operating costs. Increasing discount rates to reflect non-performance risk results in a proportion of an entity's operating costs being reclassified as a finance expense, which inappropriately flatters the operating result.

(g) many entities use risk-free rates to discount provisions and the arguments for requiring rates to include non-performance risk are not strong enough to overturn such a widespread practice.

6. One member expressed a view that whether non-performance risk is reflected in a discount rate might depend on the facts and circumstances. For example, it might be appropriate to include non-performance risk if that risk would be considered in reaching a cash settlement with the counterparty. However, for most provisions within the scope of IAS 37, a counterparty is unlikely to accept a price adjustment made to take non-performance risk into account.

7. One member suggested that the discount rates for provisions be calculated on the same basis as discount rates for pension liabilities. The member stated that the cash flow projections required for environmental provisions are similar to those required for defined benefit pension obligations, and that the rates used to discount pension obligations are audited and readily available to preparers of financial statements. The

member also cautioned that requiring different discount rates for different types of liability would create unwelcome complexity.

Disclosure of information about discount rates used

8. The staff explained that some investors have asked the IASB to add to IAS 37 a requirement for entities to disclose more information about the rates they use to discount provisions. Investors have suggested requiring entities to disclose the rates used, the basis on which the rates are determined, the undiscounted cash flows and assumptions made about the timing of the cash flows. Investors have also suggested that, if entities use discount rates that reflect non-performance risk, they be required to provide information about the effect of the non-performance risk on the rates used and a sensitivity analysis.

9. Members were asked for their views on the costs of providing those types of information.

10. One member said disclosing information about an entity's assessment of its own non-performance risk could be challenging, and potentially damaging to the entity. Furthermore, it is unnecessary to add to IAS 37 requirements to disclose this type of information. Other IFRS Accounting Standards—for example, IFRS 7 *Financial Instruments: Disclosures*—require entities to provide the information investors need to make their assessments of the risks affecting an entity's ability to remain as a going concern. Another member agreed with these comments.

11. Some members reported that their companies already provide some of the information investors have said they would like all entities to provide. One member said his company discloses the range of rates it uses to discount provisions. Another member

said his company's closure liabilities are such a large proportion of its total liabilities that the company already discloses:

(a) the sensitivity of the measure of those liabilities to a 1% increase or decrease in the discount rate; and

(b) the undiscounted cash flows and estimates of their timing, as part of the management discussion and analysis section of the annual report.

12. One member said he thought a requirement for a sensitivity analysis might lead to unnecessarily detailed information—analysts do their own stress tests.

Next steps

13. The IASB expects to decide early in 2023 whether to develop proposals to amend IAS 37 either to require entities to include non-performance risk in the rates they use to discount provisions or to prohibit them from doing so. The IASB will consider the feedback from GPF members in reaching its decision.

Post-implementation Review of IFRS 9—Impairment

14. This session sought GPF members' views on applying:

(a) the impairment requirements in IFRS 9 *Financial Instruments*; and

(b) the credit risk disclosures in IFRS 7 *Financial Instruments: Disclosures*.

15. GPF members were also asked for their opinions on matters to be considered by the IASB in the Post-implementation Review (PIR) of these requirements.

16. Members were asked whether:

    (c) there are fundamental questions on the clarity and suitability of the objectives or principles in the impairment requirements—that is, if there are fatal flaws in the requirements;

    (d) the benefits to investors arising from applying the requirements are significantly lower than expected; and

    (e) the costs of applying some or all of the requirements and auditing and enforcing their application are significantly greater than expected.

17. Most members said the impairment requirements in IFRS 9—that is, the expected credit losses (ECL) model—are generally working well, can be applied consistently and have resolved the problem of the delayed recognition of credit losses.

18. Some members commented on:

    (a) comparability issues that arise because of the lack of convergence of the impairment requirements in IFRS 9 with equivalent requirements in US generally accepted accounting principles (GAAP). One member expressed a preference for an impairment model in which lifetime ECL would be recognised for all financial instruments because, in his view, this approach would simplify the model.

    (b) challenges in applying the ECL model for the first time, in particular for small entities with less sophisticated systems. Acknowledging that the ECL model has a simplified approach to measuring ECL for trade receivables, contract assets and lease receivables, one member suggested the IASB further enhance accessibility and understandability of the requirements for these types of entities.

    (c) challenges in incorporating forward-looking information. A member said that, despite the requirement in IFRS 9 for an entity to incorporate

information that is reasonably available without undue cost or effort, developing economic scenarios and incorporating forward-looking information in ECL measurements remains challenging for jurisdictions where no adequate qualitative forward-looking data is available. This challenge is further exacerbated in periods of high economic uncertainty, for example during the covid-19 pandemic, when historical information cannot be used to predict future economic conditions.

(d) the rebuttable presumption in IFRS 9 that a default on a financial instrument does not occur later than 90 days past due unless an entity has reasonable and supportable information to demonstrate a more lagging default criterion is appropriate. A member said rebutting this presumption is a high hurdle even for jurisdictions where it is commonly understood that 90 days past due does not indicate a default.

19. Members said the costs of implementing the ECL model were high, including the costs of designing and maintaining modelling techniques. However, applying the model is straightforward and, in fact, implementing the model has improved entities' internal controls and the quality of information available to users. A few members said the improvements made in implementing the ECL model assisted entities in responding rapidly to changes in the credit risk of financial assets during the covid-19 pandemic.

Next steps

20. The IASB will continue to seek feedback over the coming months to identify matters for public consultation. These matters will be published in the request for information, which is expected in the first half of 2023.

Post-implementation Review of IFRS 15 *Revenue from Contracts with Customers*

21. In September 2022 the IASB decided to begin the Post-implementation Review (PIR) of IFRS 15 *Revenue from Contracts with Customers*.

22. This session sought to hear GPF members' overall assessments of IFRS 15 and their views on:

(a) the application matters that members think the IASB should consider as part of the PIR of IFRS 15;

(b) the transition to IFRS 15; and

(c) the benefits and costs (effects) of implementing and applying the Standard.

23. Most members who provided feedback commented that IFRS 15 generally worked as intended, the five-step revenue recognition model was helpful and the application guidance was generally better structured than under previous revenue accounting standards.

24. Members reported various application matters related to IFRS 15, including:

(a) assessing whether a contract contained separate performance obligations when first applying the Standard;

(b) assessing whether a contract is within the scope of IFRS 15 or IFRS 16 *Leases*, for example, in the technical services industry;

(c) determining the timing of revenue recognition for real estate entities, in particular considering specific jurisdictional regulations and practices;

(d) explaining to management and users of financial statements large balances related to contract assets and fluctuations in those balances that may arise between contract milestones in industries with long-term contracts, for example, in aerospace and defence;

(e) treating the sale of an off-patent drug as divestment of intangible assets instead of recognising revenue, especially when the drug was self-developed and had zero book value;

(f) establishing a term for disclosing remaining performance obligations, because the entity's expectations may vary from the term indicated in the contract; and

(g) applying in the principal–agent analysis the indicator related to the entity's discretion in establishing the price of a good or service being transferred, because often the price is market-driven.

25. A few members made suggestions for amending or clarifying IFRS 15, including:

(a) allowing 'substance over form' to be considered when identifying performance obligations to prevent artificial 'slicing' of a bundled contract;

(b) providing more illustrative examples focusing on service industries, including IT; and

(c) allowing for entities' judgement in determining whether to apply the practical expedient in paragraph 63 of IFRS 15, because applying a one-year threshold when assessing whether a significant financing component is present may result in the unfair presentation of amounts by some entities and reduce comparability between entities, especially in jurisdictions with high rates of inflation.

26. A few members stated that some disclosures—for example, information on remaining performance obligations—are costly to prepare and appear to have little perceived value for users, who, in the members' experience, never ask any questions about those disclosures.

27. Members who commented on transition said the modified retrospective transition method appeared to be more popular than the full retrospective transition method mainly because of cost–benefit considerations. A few members said their entities chose the full retrospective transition method to provide the best trend information for users of

financial statements and to avoid parallel accounting. One member commented that it was helpful for entities to have a choice of transition methods and transition reliefs.

28. One member expressed a view that IFRS 15 is more complex than the previous revenue requirements; therefore, it is more difficult to understand and explain to users and may be challenging for smaller entities and entities in emerging economies to apply.

29. Comments on the effects of implementing and applying IFRS 15 included:

    (a) the convergence between IFRS 15 and US GAAP Topic 606 has been very useful, especially for global entities.

    (b) the Standard has led to some improvement in the comparability of information between entities.

    (c) for many entities, applying the requirements of IFRS 15 resulted in only minor changes to amounts in the financial statements.

    (d) the Standard's implementation has involved considerable cost and effort, with costs related to staff training, contracts analysis, developing internal controls, documenting accounting policies and audit. Some costs are ongoing, such as staff training costs.

    (e) the Standard has resulted in some incidental benefits—for example, establishing a common language for discussing revenue accounting, improvements in entities' internal controls and clearer communications with sales departments on the terms of contracts.

Next **steps**

30. The IASB will consider the feedback from GPF members when identifying matters on which to consult publicly in the request for information that is expected to be published in the first half of 2023.

Project on primary financial statements

31. This session sought to hear GPF members' views on the IASB's tentative decisions to change some proposals in the Exposure Draft General Presentation and Disclosures. In particular, will the revised proposals achieve their objectives? This discussion forms part of a wider programme of feedback collection on:

    (a) classification of income and expenses in the financing category;

    (b) entities with financing as a main business activity;

    (c) aspects of the disclosure requirements for management performance measures;

    (d) disclosure of operating expenses by nature in the notes when an entity presents operating expenses by function in the statement of profit or loss; and

    (e) unusual income and expenses.

Financing category

32. The staff explained the IASB's tentative decision to change its approach to classifying income and expenses within the financing category from that proposed in the Exposure Draft. The Exposure Draft proposed classifying income and expenses in the financing category in accordance with a definition of 'financing activities'. In response to concerns about the application of this definition, the IASB tentatively decided to revise the proposed approach. The revised approach is based on whether or not the transactions that give rise to the liability arise solely from the raising of finance (see slides 5–7 of Agenda Paper 4 *Targeted feedback*). The staff asked members whether:

    (a) the revised proposal for classifying income and expenses within the financing category is clearer and easier to apply than the proposal in the Exposure Draft;

(b) the revised proposal is likely to cause any issues with lease liabilities and amounts payable for goods and services received (slide 7 of Agenda Paper 4); and

(c) the revised proposal for classifying income and expenses within the financing category will result in any changes to the proposals in the Exposure Draft for classifying income and expenses from liabilities other than lease liabilities and amounts payable for goods and services received.

33. Some members commented that the revised proposal for classifying income and expenses within the financing category was clearer than the original proposal in the Exposure Draft. One member commented that the more defined the investing and financing categories are, the more helpful it is, because the operating category is defined as the residual category.

34. One member disagreed with classifying the unwinding of the discount on provisions within the financing category. In this member's view the average financial statement user would expect such an expense to be classified within the operating category. This member added that classifying unwinding of the discount on a provision held in a foreign currency within the financing category might sometimes be counterintuitive. For example, if the entity uses the undue cost or effort exception in the Exposure Draft to classify the foreign exchange gains or losses on that liability in the operating category.

35. This member also pointed out that classifying interest on payables with extended credit terms arising from the purchase of goods or services within the financing category would not align with how businesses separate the transactions managed by the treasury function. Another potential issue is that interest on cash and cash equivalents that is classified within the investing category will vary for entities that manage net debt. In this member's view different sources of interest expenses should be disaggregated in the notes rather than being categorised differently in the statement of profit or loss.

36. In response to a question, the staff explained that lease liabilities arise from transactions that involve something other than raising finance. Lease liabilities are identified as such so that income or expenses arising from changes to the liability and that are not interest are classified in the same category as the original transaction. Under the revised approach an entity will still classify the interest expense related to lease liabilities in the financing category. These income and expense classifications are consistent with IFRS 16 *Leases*.

37. An IASB member further clarified an entity could use its judgement to present in the statement of profit or loss only those line items in the financing category necessary to provide an understandable overview. An entity could then disclose the interest expense on lease liabilities in the notes rather than being required to present this amount separately in the statement of profit or loss.

Questions and comments on classifying income and expenses

38. In response to a question, the staff explained that foreign exchange differences are classified within the same category as other income and expenses from the asset or liability giving rise to the foreign exchange difference. The IASB has tentatively decided in the redeliberations that, if identifying this category results in undue cost or effort, the difference should be included in the operating category, as the residual category.

Entities with financing as a main business activity

39. The staff explained that the IASB is considering a change from the proposal in the Exposure Draft for classifying income and expenses from cash and cash equivalents. The change would apply to entities that provide financing to customers as a main business activity. In the Exposure Draft, the IASB proposed an accounting policy choice for such an entity:

(a) to classify all income and expenses from cash and cash equivalents within the operating category; or

(b) to classify only the portion of income and expenses related to providing financing to customers within the operating category.

An entity that invests in financial assets as a main business actively classifies income and expenses from cash and cash equivalents within the operating category. It is likely that entities that provide financing to customers as a main business activity also invest in financial assets as a main business activity. For this reason, the IASB is exploring whether to withdraw the accounting policy choice proposed in the Exposure Draft. The staff asked members whether they were aware of any entities of this type that do not also invest in financial assets as a main business activity, and that would be affected by removing the accounting policy choice.

40. One member said some entities that provide financing to customers as one of multiple main business activities might not invest in financial assets as a main business activity. Another member said some entities include a subsidiary that provides financing to other subsidiaries in the group as its main business activity and these entities might not invest in financial assets as a main business activity. However, both members favoured removing the accounting policy choice because doing so would lead to less diversity in practice.

Management performance measures—Rebuttable presumption that measures used in public communications reflect management's view of an aspect of financial performance

41. The staff explained the IASB's tentative decision to introduce a rebuttable presumption that a subtotal of income and expenses included in an entity's public communications provides management's view of an aspect of the entity's financial performance. The staff asked for members' views on whether establishing the rebuttable presumption would:

(a) resolve concerns over the subjectivity of management's view; and

(b) avoid a requirement for measures that might not reflect management's view to be management performance measures.

42. Members agreed with having a rebuttable presumption. However, some members said clear guidance would be required on when the presumption may be rebutted and what constitutes reasonable and supportable evidence.

43. One member suggested such guidance needs to be clear about whether the rebuttal would apply to measures communicated to fulfil users' requests for information, but that do not necessarily represent management's view of the financial performance of the entity. This member was concerned that requiring such measures to be management performance measures might result in entities no longer providing such information.

44. Another member raised a related concern that if such measures were required to be management performance measures, the label may no longer be appropriate because such measures do not represent management's view.

Questions and comments on management performance measure requirements

45. Some members had general questions and concerns regarding the management performance measure requirements proposed in the Exposure Draft:

(a) one member suggested amending the proposal so management performance measures would be required to be based on income and expenses recognised and measured in accordance with IFRS Accounting Standards. The rationale for the suggestion was that some regulators prohibit such measures from being included in the financial statements. An IASB member explained the proposal in the Exposure Draft permits

management performance measures that are not calculated in accordance with IFRS Accounting Standards and that the IASB is not currently considering revising this proposal.

(b) this member also suggested the IASB should provide more guidance on the circumstances in which the label earnings before interest, taxes, depreciation and amortisation (EBITDA) is a faithful representation of this measure. This guidance may help to clarify whether or not an EBITDA label is permitted in the financial statements for entities in jurisdictions where regulators prohibit non-GAAP measures. An IASB member responded that this may be a question of terminology because operating profit before depreciation, amortisation and specified impairments will be a specified subtotal. This subtotal would then be an anchor point for further adjustments.

(c) one member raised a concern that management performance measures might be considered by users as inferior to measures specified in IFRS Accounting Standards. The staff explained that management performance measures aim to provide a balance between information required by IFRS Accounting Standards and entity-specific information.

(d) one member raised a concern that management performance measures will become a third set of measures in addition to those already specified in IFRS Accounting Standards and those in the remit of regulatory requirements for non-GAAP measures.

(e) in response to questions from some members about specific individual adjustments, the staff explained that individual line items would not be management performance measures and that disaggregation and disclosure of individual items may provide useful information.

(f) one member asked whether disclosure of comparative information would be required. The staff explained that the definition of a management performance measure should be consistent over time and that disclosure of comparative information is required. However, if an adjusting item included

within a management performance measure does not occur, it is appropriate to exclude that item from the measure, and this exclusion does not represent a change in the measure.

(g) in response to a question the staff explained that relabelling a subtotal required by IFRS Accounting Standards will still be permitted and will not result in the subtotal becoming a management performance measure.

Management performance measures—Simplified approach to calculating the tax effect on reconciling items

46. The staff explained the IASB's tentative decision to revise the requirement for how an entity calculates the income tax effect of the individual items when it reconciles a management performance measure to the most directly comparable total or subtotal specified in IFRS Accounting Standards. The staff sought members' views on whether the revised method used to calculate the tax effect provides a better balance of costs and benefits than the proposal in the Exposure Draft.

47. One member explained that in his [her] organisation, tax is calculated on adjusted measures because they are provided on a per share basis. This member said identifying the statutory rate was generally straightforward. However, this member commented that there could be circumstances in which using the statutory rate is inappropriate; for example, if an entity's circumstances mean that a particular transaction will not have any tax impact in the group's consolidated financial statements because of group tax relief.

48. Another member said even the simplified approach to calculating taxes on reconciling items could be complex, particularly for smaller entities that lack a centralised tax function or for measures involving many inter-company eliminations.

Disclosing operating expenses by nature

49. The staff explained the IASB's tentative decision to require an entity to disclose the amounts in each line item in the statement of profit or loss for depreciation, amortisation and employee benefits. The staff asked members whether:

    (a) disclosing the amounts of depreciation, amortisation and employee benefits included in each line item in the statement of profit or loss provides a better balance of costs and benefits than the proposal in the Exposure Draft;

    (b) including impairments and write-downs of inventories in the list of line items in the requirement would be appropriate;

    (c) applying the requirement to all other operating expenses disclosed in the notes—subject to an undue cost constraint—would result in a similar balance of costs and benefits to 49(a).

50. Most members agreed the revised proposal would lead to a better balance between cost and benefits than the proposal in the Exposure Draft, even though the revised proposal would require some additional work compared with current disclosure requirements.

51. Most members also agreed the list of line items in the requirement should include impairments and write-downs of inventories.

52. However, one member said in their jurisdiction the disclosure requirement proposed in the Exposure Draft is already required by regulators and is considered by stakeholders in that jurisdiction to provide more complete information than would be provided by the revised proposal. These stakeholders therefore disagree that the revised proposal would result in a better balance of costs and benefits than the original proposal.

53. One member said if the requirement were applied to all other operating expenses the necessary information may be challenging to obtain. This member suggested

specifying the line items for which the disaggregation was required would be more effective than a general principle.

54. One member said applying an undue cost or effort cost constraint would be difficult in practice.

55. One member commented that more guidance on what constitutes cost of sales would be helpful.

Unusual income and expenses

56. The staff explained the reasons for the IASB's tentative decision to withdraw the proposal in the Exposure Draft for disclosing unusual income and expenses and asked for members' views on the tentative decision.

57. Members agreed with the tentative decision to withdraw the specific requirements for unusual income or expenses because it would be difficult to find a common definition for unusual.

Next steps

58. The IASB will consider the feedback from members when it considers all the proposals at a future IASB meeting.

Equity method

59. The objective of this session was to:

    (a) provide GPF members with an update on the Equity Method project; and

    (b) ask GPF members for their views on four possible alternatives to answer this application question—in applying the requirements in IFRS 10 *Consolidated Financial Statements* and IAS *28 Investments in Associates*

and Joint Ventures, how should an investor recognise gains and losses arising from the sale of a subsidiary to its associate?

Frequency of the transaction

60. A few GPF members said the transaction described in the application question is one that is rarely encountered in practice.

The four alternatives

61. One GPF member suggested pursuing the alternative that aligns with US GAAP (Alternative 3).

62. One GPF member shared that common practice in their jurisdiction is to view the equity method as a one-line consolidation and doing so often leads to outcomes that provide a faithful representation of the transaction. Therefore, the GPF member was in favour of applying both requirements in IFRS 10 and IAS 28 to the transaction as an overlay approach (Alternative 2).

63. Another GPF member said only transactions involving the sale of assets are common, and therefore Alternative 4 is the practice in their jurisdiction. The GPF member also argued that, given the inventory's high turnover rate from the associate perspective, the difference in applying Alternative 4 compared with Alternative 1 would be minimal.

Obtaining the information required to apply the equity method to the transaction

64. Furthermore, one GPF member said a parent entity often receives minimal cooperation from its associate in obtaining the required information to apply the equity method. The GPF member suggested pursuing the simplest alternative with the

assumption that a parent entity would be unable to obtain sufficient information from the associate regarding the transaction. Another GPF member agreed.

Next steps

65. The staff will consider GPF members' comments in developing the agenda paper for the IASB on this application question in the project on Equity Method.

IASB and IFRS Interpretations Committee update

66. This session aimed to provide GPF members with a summary of the IASB's current workplan, including a detailed update on the project on Goodwill and Impairment.

67. The GPF members received an update on the June 2022, September 2022 and October 2022 meetings of the IFRS Interpretations Committee, including an update on electronic transfer payments.

International Sustainability Standards Board update

68. This session aimed to provide GPF members with an update on the International Sustainability Standards Board's (ISSB) activities, including on:

    (a) the important milestones for the ISSB;

    (b) the redeliberation for Exposure Draft IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and Exposure Draft IFRS S2 *Climate-related Disclosures*; and

    (c) the next steps for the ISSB.

Next meeting

The next GPF meeting will be held on 3 March 2023.