

Capital Markets Advisory Committee

Date **Thursday 6th October 2022**

Location **Hybrid Meeting - Virtual and IFRS Foundation Office, London**

Agenda timings or topics may change as the meeting progresses.

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Thursday 6th October 2022

Time (UK)	Agenda ref	Agenda item
9:15-9:45	AP1	IASB Update
9:45-10:45	AP2	<p>Primary Financial Statements Project – Changes to proposals related to the financing category and aspects of management performance measures</p> <p>Description:</p> <p>The IASB is conducting outreach on a selection of the proposals included in the Exposure Draft <i>General Presentation and Disclosures</i> that it has tentatively decided to revise in its redeliberations. The staff plan to ask CMAC members for feedback on whether the tentative decisions on the selected topics will achieve the related objectives and the intended balance of costs and benefits.</p> <p>In the first part of the session, the staff will provide an update and seek feedback from CMAC members on the IASB’s tentative decisions for the proposals related to classification of income and expenses in the financing category and aspects of the disclosure requirements for management performance measures.</p> <p>Background:</p> <p>The Exposure Draft proposed a definition of financing activities and required an entity classify income and expenses from financing activities and from other liabilities in the financing category. In response to stakeholder feedback, the IASB tentatively decided to revise the approach such that an entity would be required to classify in the financing category all income and expenses from liabilities that arise from transactions that involve only the raising of finance and specified income and expenses from other liabilities.</p> <p>The Exposure Draft proposed requirements for management performance measures. In response to stakeholder feedback, the IASB has tentatively decided to revise aspects of the definition and disclosure requirements, including establishing a rebuttable presumption that a subtotal of income and expense included in public communications outside financial statements represents management’s view of an aspect of the entity’s financial performance and a simplified method for calculating the tax effect for each item disclosed in the reconciliation.</p>

Time (UK)	Agenda ref	Agenda item
10:45-11:00		Break
11:00-11:45	AP2	<p>Primary Financial Statements Project – Operating expenses and Unusual income and expenses</p> <p>Description:</p> <p>In the second part of the session, the staff plan to provide an update and seek feedback from CMAC members on the proposals previously discussed with CMAC members related to disclosure of operating expenses by nature in the notes when an entity reports operating expenses by function in the statement of profit or loss and unusual income and expenses.</p> <p>Background:</p> <p>At its July 2022 meeting, the IASB tentatively decided to require an entity to disclose the amounts of depreciation, amortisation and employee benefits included in each line item in the statement of profit or loss and to explore an approach that would require an entity to disclose, for all operating expenses disclosed in the notes, the amounts included in each line item in the statement of profit or loss.</p> <p>The IASB is expected to make decisions responding to feedback on the definition of unusual income and expenses at its September 2022 meeting.</p>
11:45-12:30	AP3	<p>IAS 37 Provisions, Contingent Liabilities and Contingent Assets (discount rates)</p> <p>Description:</p> <p>The staff will seek CMAC members' views on discount rates for provisions, specifically on:</p> <ul style="list-style-type: none"> • which rate results in a more useful measure of a provision—a rate that includes the company's own credit risk, or a rate that excludes that risk; and • whether companies disclose enough information about the discount rates they use and the basis for those rates, and if not, what further information would be useful. <p>Background:</p> <p>At present, IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> does not specify whether the rate a company uses to discount a provision for the time value of money should include or exclude the company's own credit risk. As a result, there is diversity in practice, with companies that include their own credit risk using higher rates, and hence reporting smaller provisions, than those that exclude it. The difference can be significant for companies with large long-term provisions—for example, for power generation, oil and gas, mining and telecoms companies reporting provisions for asset decommissioning or environmental rehabilitation costs.</p>

Time (UK)	Agenda ref	Agenda item
		As part of its Provisions—Targeted Improvements project, the IASB is considering whether to develop proposals to specify in IAS 37 whether the discount rates companies use to measure provisions should include or exclude the entity's own credit risk.
12:30-13:30		Lunch
13:30-14:30	AP4	<p>Post Implementation Review of IFRS 9—Impairment</p> <p>Description:</p> <p>Ask CMAC members to share their views on the application of impairment requirements in IFRS 9 <i>Financial Instruments</i> and the related credit risk disclosures in IFRS 7 <i>Financial Instruments: Disclosures</i>, as well as matters that members think the IASB should consider for the Post-implementation Review (PIR) of these requirements.</p> <p>Background:</p> <p>In July 2022, the IASB commenced the PIR of the impairment requirements in IFRS 9. The discussion at this CMAC meeting is part of the outreach the IASB is performing to assist in identifying matters on which it will consult publicly in a Request for Information</p>
14:30-15:45	AP5	<p>Post Implementation Review of IFRS 15 Revenue from Contracts with Customers</p> <p>Description:</p> <p>The staff will seek CMAC members' views on the application of IFRS 15, as well as on matters that members think the IASB should consider for the post-implementation review of the Standard.</p> <p>Background:</p> <p>In September 2022, the IASB commences its post-implementation review of IFRS 15 that has been effective since 1 January 2018. The discussion at this CMAC meeting is part of the outreach the IASB is performing in Phase 1 of the project to identify matters for which it will seek further feedback through a public request for information.</p>
15:45		End of public meeting