
Agenda paper 7

Refreshing the IASB strategy— Generation 3

IFRS Advisory Council
November 2023

The journey ahead of us....

Over the last two decades, the IASB has established its credibility issuing IFRS Accounting Standards that are applied globally, whilst diversifying its activities to include supporting consistent application, the IFRS Taxonomy, and the *IFRS for SMEs* Accounting Standard.

**Today's
discussion**

As the IASB moves into its third decade what does success look like?

Next steps
(for future
Trustees
meetings)

How do we achieve success? What activities should we start / stop / continue?

How do we measure success?

Objective of this session

1. Set the scene on the IASB's past strategy—to help define future success

Slides
4-14

2. Receive thoughts on areas to explore in defining future success

Slides
15-16

3. Receive your initial input about a definition of future success (to be discussed in further detail at future meetings)

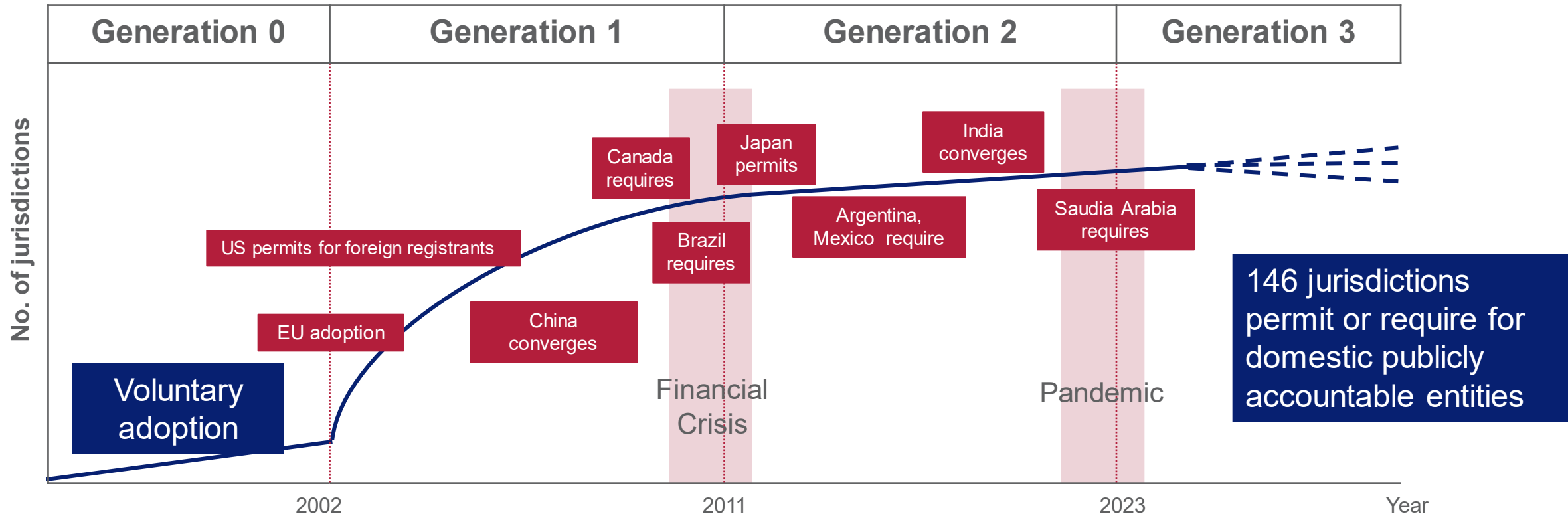
Slide
17

1. Set the scene on the IASB's past strategy—journey

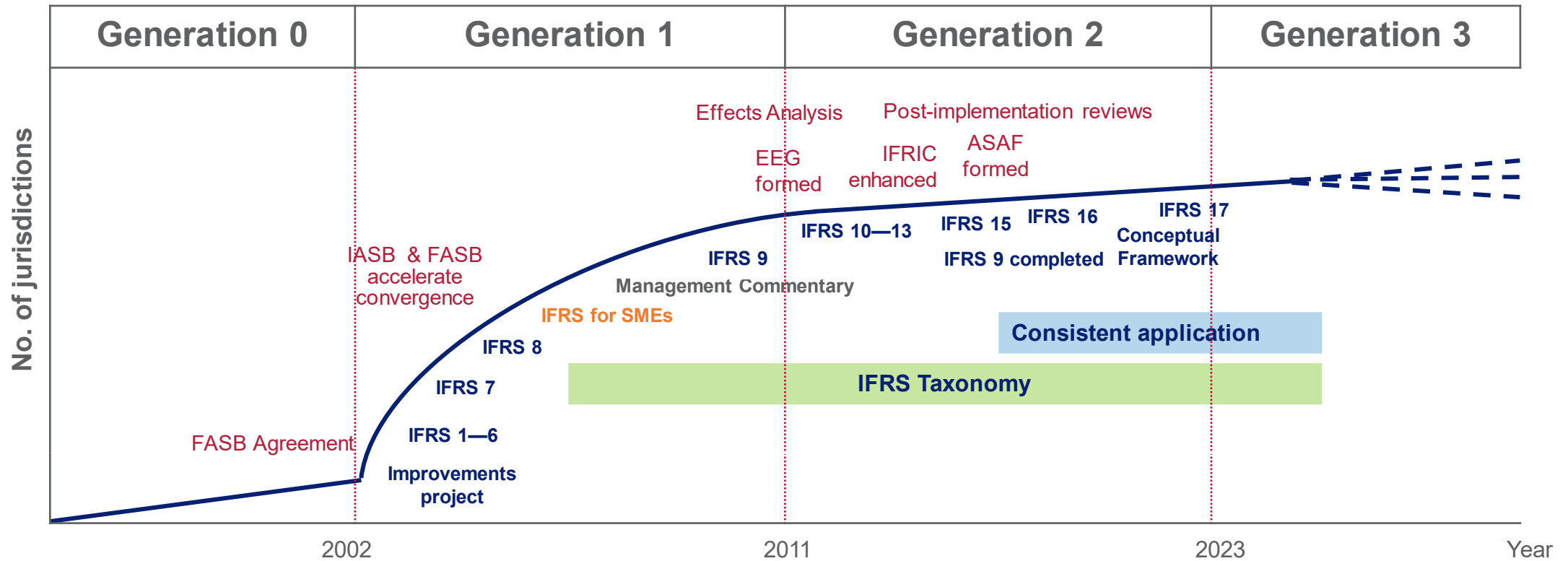
IASB 2002—2023: IASB strategy

Strategy	Increase application → become global	We have no legal authority – strategy has been about winning hearts and minds
	Respond to market demand	
What has the market demanded?	<ul style="list-style-type: none">• Facilitate <i>'global passporting'</i> of cross-listed companies• Facilitate foreign investment• Fill reporting needs of other (non-public) entities• Facilitate consistent application• Facilitate digital reporting	

How the IASB became global



IASB 2002—2023: Filling the demand



IASB 2002—2023: IASB strategy

Generation 0

2000 International Accounting Standards Committee agrees to restructure itself into the IASB.

2002 EU announced a new law which would require IFRS Accounting Standards for consolidated financial statements of listed groups.

Generation 1

In 2005 7,000 EU companies applied IFRS Accounting Standards for the first-time.

Rapid global application of IFRS Accounting Standards including Australia, Hong Kong, New Zealand, South Africa, Brazil, Canada, Chile, Israel, Korea.

Generation 2

IASB issues IFRS 9 – IFRS 17 and revises *Conceptual Framework for Financial Reporting*.

Expands work on supporting consistent application.

1. Set the scene on the IASB's past strategy–today

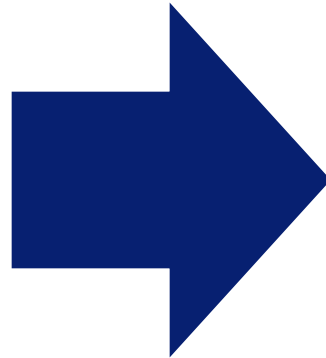
Success leads to challenges

Success

Globally applied IFRS
Accounting Standards

Recognised as high quality
global financial language and
consistently applied

Robust development through
consultation



Challenges

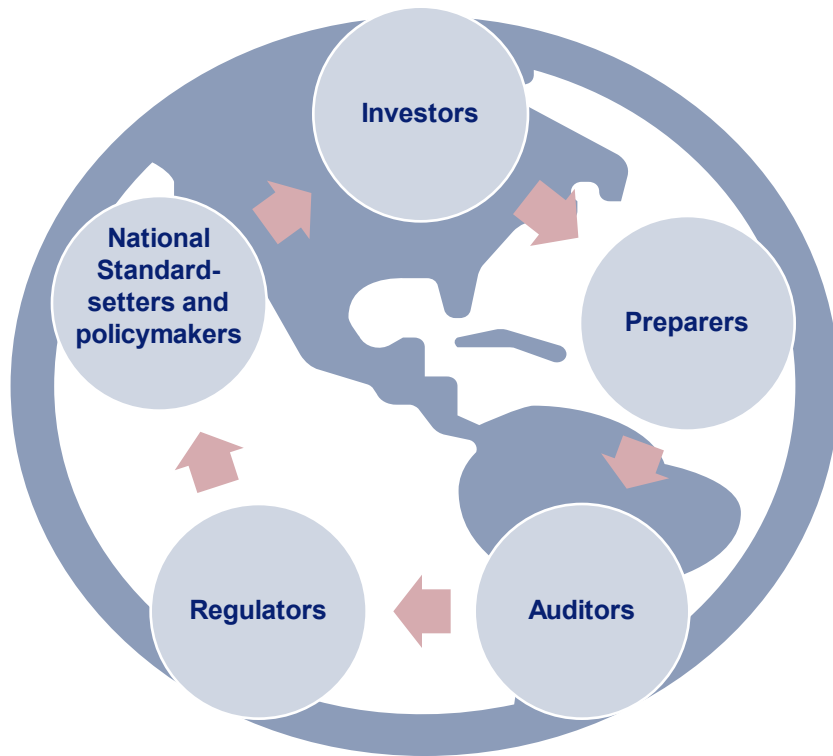
Managing diverse stakeholder
expectations (slide 11)

- Managing multiple products (slide 12)
- Complexity of Accounting Standards (slide 13)

Increased risk of fragmentation— carve-outs, deferrals

- Brand risk – requires continuous support for **consistent application**, much of which is beyond our control (slide 14)

Managing diverse stakeholder expectations



Economies	
Developed	Emerging Developing
Experience and resources of companies	
Market objectives (some unintended)	
Global passporting	Reporting needs of other entities:
Foreign investment	<ul style="list-style-type: none"> - Private company - capital attraction - Statutory reports - Tax accounting - Central bank financial reports - Influence non-profit and public sector accounting
Professional objectives	
For example, investors demand for information needs to be balanced with cost to preparers	

Multiple products and services

IFRS Accounting Standards

Designed to promote a global language to help with global allocation of resources

Subsidiaries without public accountability

IFRS for SMEs Accounting Standard

Based on IFRS Accounting Standards, simplified to reflect needs of users and resources of SMEs

Practice Statements

Management commentary

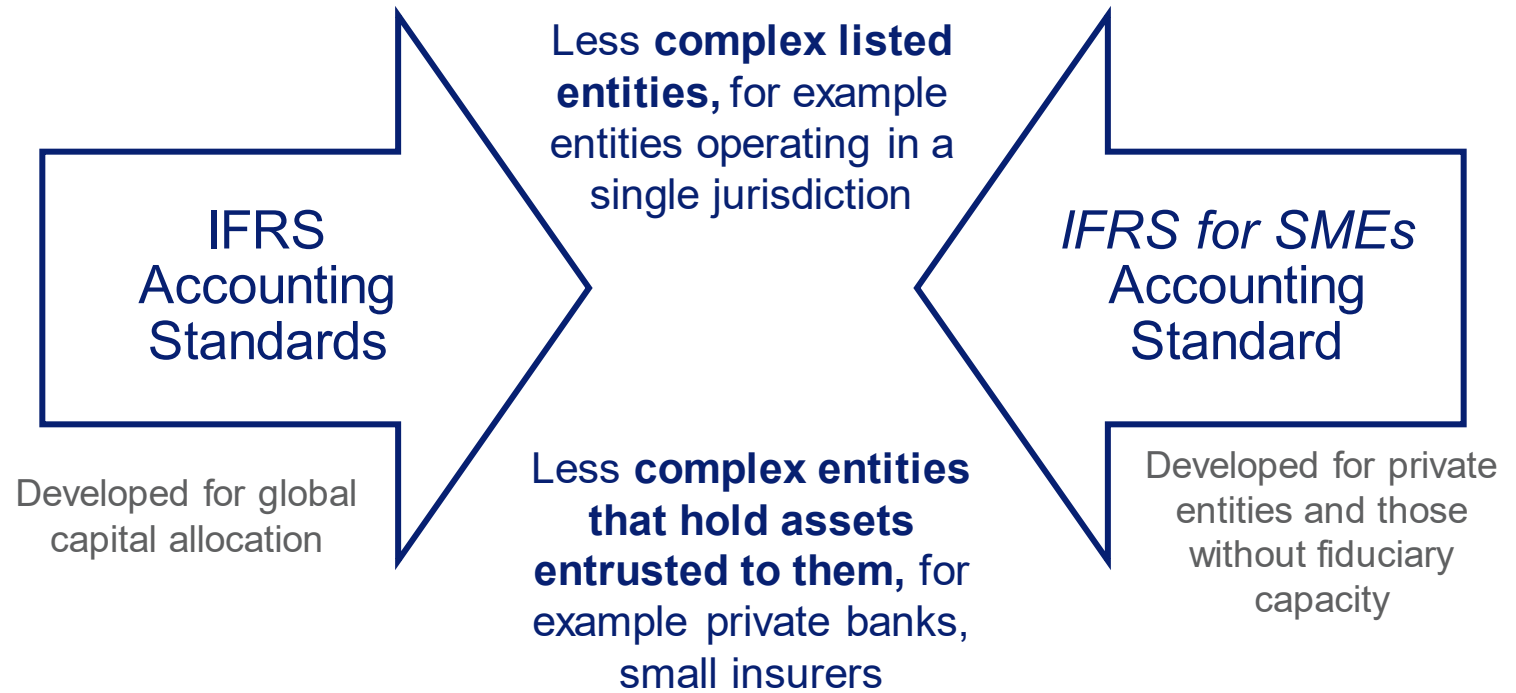
Materiality

IFRS Taxonomy—digital consumption of financial reporting

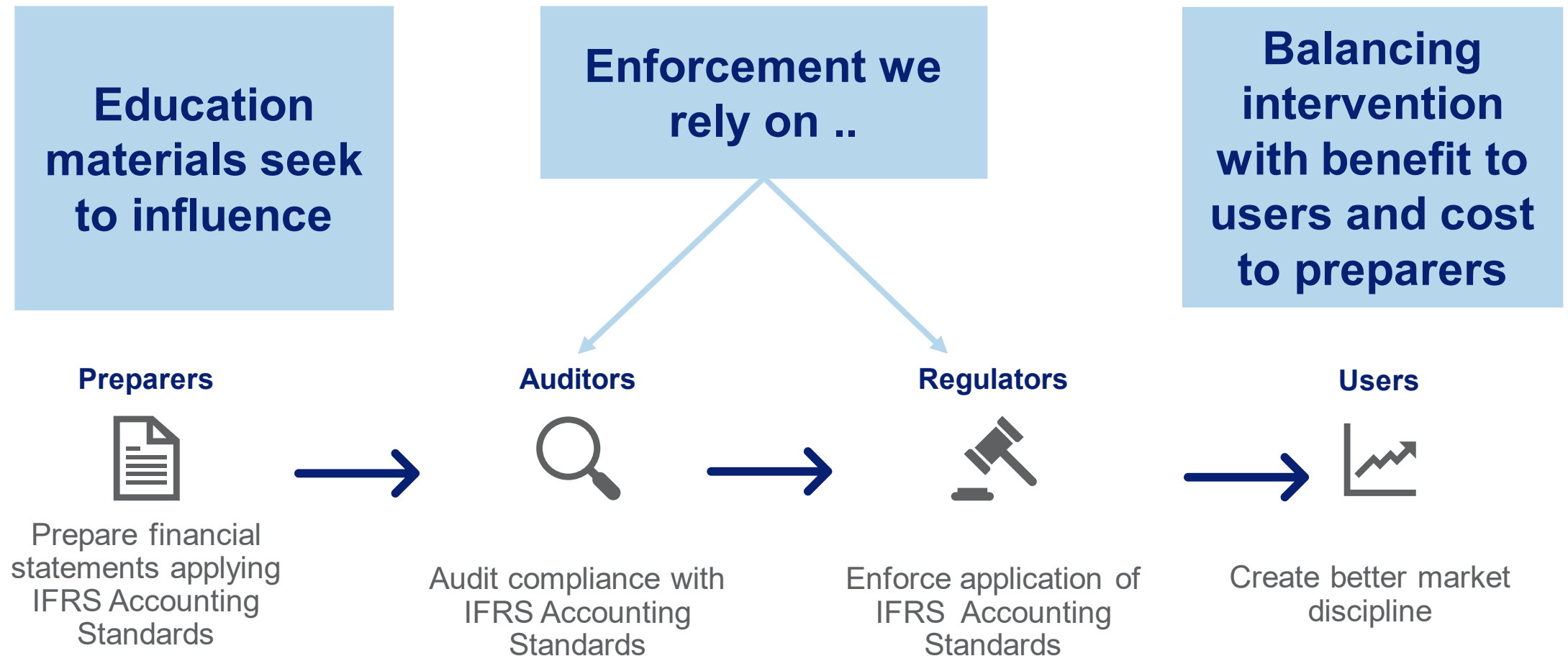
Consistent application—active support on the practical application

Complexity—do products meet market needs?

**Do our products
address market
needs?**



Working in the ecosystem supporting consistent application



2. Receive thoughts on areas to explore in defining future success

Areas for exploration in defining future success

Is there anything else we should consider?

1	Do we understand status quo?	Adoption status and extent of application in jurisdictions		
2	What is the market objective?	What purpose?	Which entities?	Can we learn from the ISSB?
3	Do IASB products and services meet the market objective?	High quality standards	Application support	Understandability
4	Implications of change	What are the consequences to our stakeholders and our organisation if we expand and/or curtail activities		

3. Receive your initial input about a definition of future success

(To be discussed in further detail at future meetings)

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 International Accounting
Standards Board

Abbreviations

Abbreviations:

ASAF	Accounting Standards Advisory Forum
EEG	Emerging Economies Group
Effects Analysis	An assessment on the likely costs of implementing proposed new requirements and the likely ongoing associated costs and benefits of each new IFRS Standard—the costs and benefits are collectively referred to as effects.
FASB	Financial Accounting Standards Board (US)
IFRIC	IFRS Interpretations Committee
Post-implementation review	Review of an IFRS Accounting Standard after a period of implementation.