
IASB[®] meeting

Date	November 2023
Project	Post-implementation Review of IFRS 9—Impairment
Topic	Plan for PIR Phase 2
Contacts	Iliriana Feka (ifeka@ifrs.org) Riana Wiesner (rwiesner@ifrs.org)

This paper has been prepared for discussion at a public meeting of the International Accounting Standards Board (IASB). This paper does not represent the views of the IASB or any individual IASB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS[®] Accounting Standards. The IASB's technical decisions are made in public and are reported in the IASB[®] *Update*.

Introduction

1. This paper sets out next steps for the project (PIR Phase 2) in the light of the feedback to the [Request for Information Post-implementation Review of IFRS 9—Impairment](#) (the RFI) summarised in Agenda Paper 27A.

Plan for PIR Phase 2

Topics to be discussed further

2. Comment letters included little feedback on the requirements for the simplified approach (topic 5 in AP27A) and transition (topic 8 in AP27A). For all other topics summarised in AP27A, comment letters include detailed feedback. For the IASB to assess what, if any, action it might take in response to the detailed feedback, the staff plan to bring topic specific papers to future meetings. Those papers will provide more detail from the comment letters compared to AP27A, with staff analysis and recommendations.
3. For the simplified approach, while there is little feedback, a few respondents make suggestions and report application challenges relating to the use of forward-looking information. One of the papers we plan to bring to a future meeting is on 'other

matters' raised in comment letters (topic 10 in AP27A). Given the little feedback on the simplified approach, we plan to include that topic within the 'other matters' paper.

4. For transition, our view is that no further analysis of feedback is required. Overall, feedback indicates that the requirements and reliefs provided on transition to IFRS 9 *Financial Instruments* achieved a good balance between costs for preparers and benefits for users.

Timing of discussions and next steps

5. As noted in AP27A, most PIR feedback is received on two topics—the interaction of impairment requirements and other requirements (topic 7 in AP27A) and credit risk disclosures (topic 9 in AP27A). The volume of feedback however does not indicate that either of these topics are urgent, but rather that most respondents think these are the topics for which the IASB should take action.
6. Respondents also identified many application challenges and questions for other topics (for example, on financial guarantee contracts or on purchased or originated credit-impaired assets). Although requested by the RFI, respondents did not always provide information about whether matters raised are pervasive and whether they have substantial consequences.¹ The staff may therefore consider gathering such information through other activities, for example, consulting with the IFRS Interpretations Committee.
7. Regarding credit risk disclosures, even though we only received one comment letter from investors, we note that the PIR feedback is substantially the same to that received during PIR phase 1 outreach which reflected feedback from users of financial statements, including investors and analysts who focus on financial institutions. In addition, the IASB had appointed academic researchers to gather evidence on the disclosures that some entities who apply IFRS Accounting Standards provide about

¹ In accordance with the [process for post-implementation reviews](#), the prioritisation of matters as high, medium or low would depend on the extent to which evidence gathered during the PIR indicates, among other factors, that the matter has substantial consequences and that the matter is pervasive.

- credit risk. We plan to include the results of this research in the paper about credit risk disclosures.
8. In suggesting the IASB explore potential improvements to IFRS 9 or IFRS 7 *Financial Instruments: Disclosures*, respondents also emphasised the importance of considering the linkages between requirements and careful consideration of incremental costs for preparers versus benefits to be gained by users. They stressed the importance of avoiding increased complexity or overloading credit risk disclosures.
 9. In the light of this feedback, we plan to bring papers by topics in the order discussed in the RFI (which is consistent with the order the requirements are set out in IFRS 9). This would ensure that we have considered potential interactions between requirements in IFRS 9, and the disclosure requirements in IFRS 7.
 10. We are planning on finalising the staff analysis and recommendations on the PIR on the impairment requirements by the second quarter of 2024. At the end of the PIR, the IASB will publish a project report and feedback statement.

Topics for discussion in PIR Phase 2	Expected timing
1. General approach to recognising ECL	January/February 2024
2. Determining significant increases in credit risk	February 2024
3. Measuring ECL	Q1/Q2 2024
4. Purchased or originated credit-impaired	Q2 2024
5. Interaction of impairment requirements with other requirements	Q2 2024
6. Credit risk disclosures	Q2 2024
7. Other matters	Q2 2024