

# AGENDA PAPER

IFRS Foundation Trustees meeting – Due Process Oversight Committee

Tokyo May 2017

**Agenda ref 1B**

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## Technical activities

### Purpose of this paper

1. This paper provides the Due Process Oversight Committee (DPOC) with an update on the due process activities for the standard-setting activities of the International Accounting Standards Board (the Board) from January to April 2017.
2. The paper is prepared by the staff of the Board and is primarily for information to assist the DPOC in fulfilling its role to oversee the due process activities of the Board and the IFRS Interpretations Committee, as set out in paragraphs 2.1–2.15 of the *Due Process Handbook*.
3. The DPOC is asked to confirm it is satisfied all projects are proceeding in a manner consistent with the requirements of the *Due Process Handbook*.

## Structure of this paper

4. This paper is structured as follows:
- (a) a list of the due process documents published from January to April 2017 is set out in paragraph 5.
  - (b) a review of the Board's activities in the period are set out in paragraphs 8– 39:
    - (i) Section 1—Board due process decisions on projects (paragraphs 8–25);
    - (ii) Section 2—other Board discussions on standard-setting and research projects (paragraphs 26–35);
    - (iii) Section 3—IFRS implementation activities (paragraphs 36–37); and
    - (iv) Section 4—Research programme activities (paragraphs 38–39).
  - (c) Appendices A to D tabulate the status of all active projects:
    - (i) Appendix A—Standard-setting and research projects;
    - (ii) Appendix B—IFRS Interpretation Committee activities and implementation projects;
    - (iii) Appendix C—IFRS Taxonomy projects; and
    - (iv) Appendix D—Post-implementation review.
  - (d) Appendix E—Compliance report; and
  - (e) Appendix F—Work plan as at 28 April 2017.

## **Due process documents**

5. In the period January to April 2017 the Board has published:
- (a) three exposure drafts (ED);
    - (i) Prepayment Features with Negative Compensation (Proposed amendments to IFRS 9 *Financial Instruments*);
    - (ii) Annual Improvements to IFRS Standards 2015–2017 Cycle; and
    - (iii) Improvements to IFRS 8 *Operating Segments* (Proposed amendments to IFRS 8 and IAS 34 *Interim Financial Reporting*).
  - (b) a Discussion Paper (DP) *Disclosure Initiative—Principles of Disclosure*; and
  - (c) the IFRS Taxonomy 2017.

## **Compliance report**

6. The compliance report is set out in Appendix E. Three agenda papers were posted after the posting deadline in the period January to April 2017. All three papers relate to the Insurance Contracts project and were posted late to ensure all comments on the external editorial review of a draft IFRS 17 *Insurance Contracts* were discussed by the Board at its February 2017 meeting.

## **Work plan**

7. The work plan as at 28 April 2017 is set out in Appendix F. The work plan is annotated to include an explanation of any changes to the project timetable since we last reported to the DPOC in January 2017.

### Section 1—Board due process decisions on projects

#### ***Conceptual Framework***

8. At its February 2017 meeting the Board concluded its redeliberations of the ED *Conceptual Framework for Financial Reporting (Conceptual Framework)*, published in May 2015. At that meeting the Board reviewed the due process steps taken so far in developing the *Conceptual Framework* and considered the re-exposure criteria in the *Due Process Handbook*. The Board confirmed that all the necessary due process steps on the project to date had been undertaken and instructed the staff to commence the balloting process.
9. At its March 2017 meeting the Board reviewed the due process steps taken so far in developing *References to the Conceptual Framework*, and considered the re-exposure criteria in the *Due Process Handbook*. The Board confirmed that all the necessary due process steps on the project to date have been undertaken and instructed the staff to commence the balloting process.
10. Agenda Paper 1D of this meeting sets out the life-cycle review of the *Conceptual Framework* project.

#### ***Prepayment Features with Negative Compensation***

11. At its January 2017 meeting the Board discussed the classification of particular pre-payable financial assets when applying IFRS 9 *Financial Instruments*. The Board tentatively decided to propose a narrow-scope amendment to IFRS 9 so that particular financial assets that contain a prepayment feature with negative compensation would be eligible to be measured at amortised cost or at fair value through other comprehensive income, subject to the financial assets meeting the business model condition and other specified conditions.
12. At its February 2017 meeting the Board confirmed that all the necessary due process steps on the project to date have been undertaken and instructed the staff to commence the balloting process for an ED.

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<sup>1</sup> *References to the Conceptual Framework* sets out the amendments to IFRS Standards and IFRIC Interpretations that arise as a consequence of issuing the revised *Conceptual Framework*.

## **Review of the Board's activities in the period**

13. At its January 2017 meeting the DPOC agreed that the proposed amendment is sufficiently narrow in scope and urgent to deviate from the typical 120 days' comment period for an ED. The DPOC approved a comment period of no less than 30 days.
14. At its March 2017 meeting the Accounting Standards Advisory Forum (ASAF) was provided with an overview of the Board's tentative decisions and ASAF members were asked to provide their view on those decisions.
15. The ED was published on 21 April 2017 and is open for comment until 24 May 2017.

## ***Financial Instruments with Characteristics of Equity (research project)***

16. As part of its research agenda the Board has been investigating improvements to the classification requirements for financial instruments that have characteristics of both liabilities and equity. The Board has also been exploring improvements to presentation and disclosure requirements for such instruments.
17. The Board has been working towards publishing a DP setting out its preliminary views. At its March 2017 meeting the Board confirmed that all the necessary due process steps on the project to date to publish a DP have been undertaken and instructed the staff to commence the balloting process.
18. The Board also decided to allow a 180 days comment letter period for the DP. This extended period:
  - (a) recognises the expected length of the document and the possibility that it will be time consuming to translate the document in various jurisdictions;
  - (b) allows the Board to conduct additional education activities and outreach to elicit sufficient comments from interested parties to inform a future decision by the Board on whether to add a project to its standard-setting programme; and
  - (c) allows constituents to have sufficient time to consider and respond to the ideas in the DP, considering the complexity of the subject matter and expected length of the document.

## Review of the Board's activities in the period

### ***Post-implementation review of IFRS 13 Fair Value Measurement***

19. At its January 2017 meeting the Board discussed the results of the outreach performed in Phase 1 of the post-implementation review (PIR) of IFRS 13. Overall, the feedback from stakeholders is that IFRS 13 is working well. The outreach involved more than 20 meetings or calls with a broad range of stakeholders (including investors) to learn about experience in applying and using IFRS 13.
20. The Board decided to publish a Request for Information (RFI) as part of Phase 2 of the PIR. The RFI will focus on specific areas identified by the outreach performed in Phase 1 of the PIR.
21. At its February 2017 meeting the Board confirmed that all the necessary due process steps for Phase 1 of the PIR of IFRS 13 and to develop the RFI had been undertaken. The RFI is expected to be published in May 2017.
22. The Board also decided, in accordance with the *Due Process Handbook*, to provide a 120 days response period for the RFI.

### ***Modifications and exchanges of financial liabilities***

23. At its February 2017 meeting the Board considered the IFRS Interpretations Committee's (the Committee) tentative decision to develop a draft Interpretation to address modifications and exchanges of financial liabilities measured at amortised cost that do not result in derecognition of the financial liability. The *Due Process Handbook* specifies that Board members are asked whether they object to the release of a draft Interpretation.
24. All 12 Board members agreed with the Committee's technical conclusions on the matter but decided standard-setting is not required in the circumstance and, therefore, that a draft Interpretation should not be published. The Board concluded that the principles and requirements in IFRS 9 provide an adequate basis for an entity to account for modifications and exchanges of financial liabilities. Accordingly, a draft Interpretation would be a means of highlighting the accounting already required by IFRS 9.
25. The Board recommended that the Committee proceed with proposing an agenda decision on the matter, which would explain the accounting for modifications and

## Review of the Board's activities in the period

exchanges of financial liabilities that do not result in derecognition applying IFRS 9. The Board will also consider other ways to highlight this matter—for example, with a webcast. The Committee published a tentative agenda decision for comment in March 2017 following its March meeting.

### Section 2—other Board discussions on active standard-setting and research projects

#### ***Insurance contracts***

26. During the period January to April 2017, Board members have been reviewing the final drafts of IFRS 17 *Insurance Contracts*.
27. At its February 2017 meeting the Board considered the findings from the external editorial review of a draft of IFRS 17 and some sweep issues, and made its final technical decisions.
28. The external editorial review of IFRS 17 was conducted in line with the *Due Process Handbook*, which in paragraph 3.31 states that ‘the nature of the external review, such as who is asked to review the draft and whether the draft is also made publicly available, is at the discretion of the IASB’. As is consistent with our general practices, national standard setters, regulators and audit firms with specialist abilities in reviewing technical accounting requirements were all invited to participate in this editorial review. In addition, the range of usual reviewers was expanded by asking some of the reviewers involved in the topic-based testing draft of IFRS 17 last year to review the draft Standard again. These additional reviewers were selected based on geographic coverage. In total the Board received comments from 25 individuals responding to the external editorial review.
29. At its March 2017 meeting the Board received an update on the progress made in drafting IFRS 17. The Board intends to issue the Standard in the second half of May 2017.
30. At its April 2017 meeting the staff updated the Board on the strategy for supporting implementation of IFRS 17. Further information concerning the proposed implementation strategy of IFRS 17 is set out in Agenda Paper 1C of this meeting.

## Review of the Board's activities in the period

### ***Primary Financial Statements (research project)***

31. The objective of this research project is to examine targeted improvements to the structure and content of the primary financial statements, with a focus on the statement(s) of financial performance.
32. At its March 2017 meeting the Board discussed the inclusion of two possible subtotals in the statement(s) of financial performance (earnings before interest and tax and a management operating performance measure) as well as guidance on classification, aggregation and disaggregation.
33. At its April 2017 meeting the Board received an educational update from the staff of the Financial Accounting Standards Board (FASB) on its related project.

### ***Rate-regulated Activities***

34. The objective of this project is to consider whether (or how) IFRS Standards should be amended to reflect the effects of rate regulation. The Board published a DP *Reporting the Financial Effects of Rate Regulation* in September 2014. The aim of the DP was to gather input from a wide range of stakeholders about the perceived financial reporting challenges created when an entity's activities are subject to various forms of rate regulation.
35. At its April 2017 meeting the Board considered a revised general description of a new accounting model being developed to recognise regulatory assets and liabilities. The Board was not asked to make any decisions.



## Review of the Board's activities in the period

### Section 3—IFRS implementation activities

36. The Board and the Committee have continued to support the implementation of its recently-issued IFRS Standards. Activities in the period January to April 2017 included:

- (a) an article on IFRS 16 *Leases* implementation, including advice from four Board members for those implementing the Standard (January 2017);
- (b) an IFRS Foundation leases conference (May 2017);
- (c) IFRS 16 educational webcast on lease modifications (March 2017); and
- (d) an educational video explaining the background for IFRS 9's new loan loss accounting requirement, how IFRS 9 contributes to financial stability and the relationship between the Standard and regulatory capital requirements for banks.

### ***IFRS Interpretations Committee meetings March 2017***

37. The Committee met in March 2017 and was chaired by its new chair Sue Lloyd. There were 14 technical matters on the agenda (12 of which related to agenda decisions and two related to narrow-scope amendments). A summary of the tentative and final agenda decisions reached at the meeting is set out in Appendix B.

## Review of the Board's activities in the period

### Section 4—Research projects

38. Information about progress on research projects is incorporated above and set out in the tables in Appendix A. Additionally, during the period January to April 2017, the Board had an initial discussion on the topic of Wider Corporate Reporting. This topic is not listed as active research project and is not listed in the research pipeline.

### ***Wider Corporate Reporting***

39. In March 2017, the Board discussed the results to date of the research into the area of Wider Corporate Reporting.

- (a) The Board tentatively decided to consider playing a more active role and suggested doing further research, given the growth in prominence of Wider Corporate Reporting.
- (b) The Board discussed options for a more active role in Wider Corporate Reporting and tentatively decided to consider a project to revise and update its *Management Commentary Practice Statement (MCPS)*. The Board directed the staff to do further analysis, including consulting with the IFRS Advisory Council (the Council), before preparing a formal proposal to add a project to the active research agenda.
- (c) We discussed this possibility with the Council at its meeting in April 2017. While agreeing with the principle of the Board playing a more active role in Wider Corporate Reporting, Council members expressed caution with a proposal to revise and update the MCPS. However, the Council did support further work being undertaken in this area.

## Appendix A—Standard-setting and research projects

### Research projects

#### Disclosure Initiative: Principles of Disclosure

<b>Project objective</b>	To explore possible principles of disclosure that could help the Board develop better disclosure requirements and help preparers communicate information more effectively with users of financial statements.
<b>Last due process document</b>	The DP was published in March 2017 with a six month comment period.
<b>Current status</b>	DP is open for comment until 2 October 2017.
<b>Use of consultative groups (this period)</b>	ASAF March 2017: views sought on how best the Board can obtain feedback on the DP. CMAC <sup>2</sup> March 2017: update provided on the project and views sought on our outreach plans for the DP.
<b>Next due process step</b>	The Board to consider a comment letter summary on the DP.
<b>DPOC role</b>	Monitor the Board's redeliberations of the DP.

#### Primary Financial Statements

<b>Project objective</b>	To examine targeted improvements to the structure and content of the primary financial statements, with a focus on the statement(s) of financial performance.
<b>Current status</b>	Ongoing technical deliberations (see paragraphs 31–33).
<b>Use of consultative groups (this period)</b>	ASAF March 2017: update provided on the scope of the project and future topics to be discussed. CMAC March 2017: update provided on the project and views sought on how users of financial statements consume data.
<b>Next due process step</b>	To publish a DP or an ED after 6 months.
<b>DPOC role</b>	Monitor the Board's deliberations.

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<sup>2</sup> Capital Markets Advisory Committee.

## Appendix A—Standard-setting and research projects

### Business Combinations under Common Control

<b>Project objective</b>	To determine whether diversity in accounting for business combinations under common control can be reduced; currently IFRS Standards do not address such transactions, including some transactions relating to initial public offerings.
<b>Current status</b>	This project has not progressed in this period because staff are currently allocated to high priority projects. Work is expected to restart in the next three months.
<b>Use of consultative groups (this period)</b>	GPF <sup>3</sup> March 2017: Consulted on preliminary research findings.
<b>Next due process steps</b>	Publish a DP after 6 months.
<b>DPOC role</b>	Monitor the Board's deliberations.

### Dynamic Risk Management

<b>Project objective</b>	To assess whether the Board can develop an approach to reporting dynamic risk management activities. The Board received diverse views on the DP <i>Accounting for Dynamic Risk Management: A Portfolio Revaluation Approach to Macro Hedging</i> published in 2014.
<b>Last due process document</b>	DP published in April 2014 with a comment period of 180 days.
<b>Comment letter summary</b>	The Board considered the comment letter summary of the DP at its meeting in February 2015.
<b>Current status</b>	Ongoing technical deliberations.
<b>Use of consultative groups (this period)</b>	ASAF March 2017: EFRAG presented its research findings on Dynamic Risk Management.
<b>Next due process step</b>	Publish a DP after 6 months.
<b>DPOC role</b>	Monitor the Board's technical deliberations, including feedback on the DP.

<sup>3</sup> Global Preparers Forum.

## Appendix A—Standard-setting and research projects

### Financial Instruments with Characteristics of Equity

<b>Project objective</b>	To investigate improvements to the classification requirements for financial instruments that have characteristics of both liabilities and equity, as well as exploring improvements to presentation and disclosure requirements.
<b>Current status</b>	The Board has completed its technical discussions and the DP is being drafted (see paragraphs 16–18).
<b>Use of consultative groups (this period)</b>	ASAF March 2017: update provide on the project and input sought on examples being developed for the DP.
<b>Next due process step</b>	To publish a DP after 6 months.
<b>DPOC role</b>	Monitor development of the DP.

### Goodwill and impairment

<b>Project objective</b>	To assess whether, and if so how, to address issues raised in the post-implementation review of IFRS 3 <i>Business Combinations</i> . Issues include identifying and measuring intangible assets acquired in a business combination; subsequent accounting for goodwill and impairment testing of goodwill and of other non-current, non-financial assets.
<b>Current status</b>	At its March 2017 meeting the Board discussed a plan for progressing the project.
<b>Use of consultative groups (this period)</b>	GPF March 2017: ideas requested about possible simplifications to the impairment testing model that would not make the model less robust.
<b>Next due process step</b>	To decide the project direction after 6 months.
<b>DPOC role</b>	Monitor the Board's deliberations.

## Appendix A—Standard-setting and research projects

### Discount rates

<b>Project objective</b>	To review discount rate requirements in IFRS Standards to identify whether there are any inconsistencies the Board should consider addressing.
<b>Current status</b>	The Board has concluded no standard-setting activity is required.
<b>Next steps</b>	Publish a research summary within 6 months.
<b>DPOC role</b>	Completed.

### Share-based payment

<b>Project objective</b>	To identify the most common areas of complexity in accounting for share-based payments and their main causes, to assess whether the Board should consider addressing them.
<b>Current status</b>	The Board has concluded no standard-setting activity is required.
<b>Next steps</b>	Publish a research summary within 3 months.
<b>DPOC role</b>	Completed.

## Standard-setting and related projects

### Conceptual Framework

<b>Project objective</b>	To provide the Board with a more complete, clear and updated set of concepts to use when it develops or revises IFRS Standards.
<b>Last due process document</b>	ED published in June 2013 with a comment period of 120 days.
<b>Comment letter summary</b>	The Board considered the comment letter summary on the ED at its meeting in March 2016.
<b>Current status</b>	The Board completed its deliberations at its March 2017 meeting (see paragraphs 8–10).
<b>Use of consultancy groups (this period)</b>	ASAF acts as the consultative group to this project. ASAF March 2017: ASAF members asked for additional comment on the proposed concepts.
<b>Next due process step</b>	It is expected that the revised <i>Conceptual Framework</i> will be published after 6 months.
<b>DPOC Role</b>	The DPOC will review the project's life-cycle review at this meeting (Agenda Paper 1D).

## Appendix A—Standard-setting and research projects

### Disclosure Initiative: Materiality Practice Statement

<b>Project objective</b>	To provide guidance on how to apply judgement in deciding whether information is material in preparing IFRS financial statements.
<b>Last due process document</b>	ED of the Practice Statement published in October 2015 with a comment period of 120 days.
<b>Comment letter summary</b>	The Board considered the comment letter summary on the ED at its meeting in April 2016.
<b>Current status</b>	The Board completed its deliberations at its December 2016 meeting.
<b>Use of consultative groups (this period)</b>	Advisory Council April 2017: discussion on how to promote and support the Practice Statement post publication.
<b>Next due process step</b>	It is expected that the Materiality Practice Statement will be published in June 2017.
<b>DPOC Role</b>	The DPOC reviewed the due process steps followed in the project at its meeting in January 2017 (Agenda Paper 1F of that meeting).

### Disclosure Initiative: Definition of Material

<b>Project objective</b>	To clarify the definition of what information is material in preparing financial statements.
<b>Current status</b>	At its meeting in December 2016 the Board reviewed the due process steps and confirmed that all the necessary due process steps on the project to date had been undertaken and instructed the staff to commence the balloting process for the ED.
<b>Next due process steps</b>	It is expected that the Definition of Material ED will be published in June 2017.
<b>DPOC Role</b>	Monitor the Board's activities in redeliberating the proposals in the ED.

## Appendix A—Standard-setting and research projects

### Insurance contracts

<b>Project objective</b>	To make it easier for users of financial statements to understand how insurance contracts affect an entity's financial position, financial performance and cash flows.
<b>Last due process document (this period)</b>	Revised ED published in June 2013 with a comment period of 120 days.
<b>Comment letter summary</b>	The Board considered the comment letter summary on the ED at its meeting in January 2014.
<b>Current status`</b>	The Board has completed its deliberations and the balloting process for IFRS 17 <i>Insurance Contracts</i> (see paragraphs 26–30).
<b>Use of consultative groups</b>	ASAF March 2017: input requested on how members plan to support the implementation of IFRS 17. CMAC March 2017: an education session on the requirements in IFRS 17.
<b>Next due process step</b>	It is expected that IFRS 17 will be issued in the second half of May 2017.
<b>DPOC Role</b>	The DPOC reviewed the project's life-cycle review at its meeting in May 2016 (agenda paper 3C of that meeting).

### Rate-regulated Activities

<b>Project objective</b>	To consider whether (or how) IFRS Standards should be amended to reflect the effects of rate regulation.
<b>Last due process document</b>	DP published September 2014.
<b>Comment letter summary</b>	The Board considered the comment letter summary on the ED at its meeting in February 2015.
<b>Current status</b>	Ongoing technical deliberations (see paragraphs 34–35).
<b>Use of consultancy groups (this period)</b>	ASAF March 2017: ASAF received an update on the project. CMAC March 2017: feedback on Board discussions.
<b>Next due process step</b>	Publish a DP after 6 months.
<b>DPOC Role</b>	Monitor the Board's technical deliberations, including feedback on the DP.



## Appendix B—IFRS Interpretation Committee activities and implementation projects

### IFRS Interpretation Committee agenda decisions

B1 The Committee met in March 2017 and has published the following tentative agenda decisions and agenda decisions:

<b>IFRS Interpretation Committee’s tentative agenda decisions</b>
<b>IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i></b> —Subsidiary as a first-time adopter.
<b>IFRS 9 <i>Financial Instruments</i></b> —Modifications or exchanges of financial liabilities that do not result in derecognition (see paragraphs 23–25).
<b>IFRS 9 <i>Financial Instruments</i></b> —Financial assets eligible for the election to present changes in fair value in other comprehensive income
<b>IAS 12 <i>Income Taxes</i></b> —Interest and penalties related to income taxes.
<b>IAS 19 <i>Employee Benefits</i></b> —Discount rate in a country that has adopted another country’s currency.
<b>IAS 32 <i>Financial Instruments: Presentation</i></b> —Centrally cleared client derivatives.
<b>IAS 33 <i>Earnings per Share</i></b> —Tax arising from payments on participating equity instruments.
<b>IAS 41 <i>Agriculture</i></b> —Biological assets growing on bearer plants.
<b>IFRS Interpretations Committee’s agenda decisions</b>
<b>IFRS 10 <i>Consolidated Financial Statements</i></b> —Investment entities and subsidiaries
<b>IAS 12 <i>Income Taxes</i></b> —Deferred taxes when acquiring a single-asset entity that is not a business
<b>IAS 28 <i>Investments in Associates and Joint Ventures</i></b> —Fund manager’s assessment of significant influence
<b>Commodity loans</b>

## Appendix B—IFRS Interpretation Committee activities and implementation projects

<b>Progress on narrow-scope amendments and IFRIC Interpretations</b>			
<b>Project</b>	<b>Objective</b>	<b>Status</b>	<b>The Board's/IFRS Interpretations Committee's next steps</b>
<p><b>Accounting Policies and Accounting Estimates</b> (Proposed amendments to IAS 8)</p>	<p>To clarify the existing distinction between a change in an accounting policy and a change in an accounting estimate.</p>	<p>At its January 2017 meeting the Board considered the results of some testing of the proposed wording for the amendment. As a result, the Board tentatively decided that the ED should define 'accounting estimates' rather than 'a change in accounting estimate'.</p> <p>At its meeting in September 2016 the Board considered the due process steps and confirmed that all the necessary due process steps on the project to date have been undertaken.</p>	<p>Publish an ED within 6 months, expected June 2017.</p>
<p><b>Classification of Liabilities</b> (Amendments to IAS 1)</p> <p>ED published February 2015</p>	<p>To clarify when rights to defer settlement affect the classification of liabilities.</p>	<p>At its February 2016 meeting the Board started discussions of some of the main comments received on the ED.</p>	<p>This project was held back until after the Board had redeliberated the definitions of assets and liabilities in the <i>Conceptual Framework</i> ED. The Board plans to recommence discussions in the second half of 2017.</p>

## Appendix B—Interpretation Committee activities and implementation projects

<b>Progress on narrow-scope amendments and IFRIC Interpretations</b>			
<b>Project</b>	<b>Objective</b>	<b>Status</b>	<b>The Board's/IFRS Interpretations Committee's next steps</b>
<p><b>Definition of a Business</b> (Proposed amendments to IFRS 3)</p> <p>ED published June 2016</p>	<p>To resolve the difficulties that arise when an entity is determining whether it has acquired a business or a group of assets.</p>	<p>Comment period closed on 31 October 2016.</p> <p>The Board is redeliberating the proposed amendments.</p> <p>ASAF and CMAC were consulted at their respective meetings in March 2017 on specific areas of feedback on the amendments to IFRS 3 relating to the definition of a business.</p>	<p>Decide project direction within 3 months.</p>
<p><b>Previously held interests in a joint operation</b> (Proposed amendments to IFRS 3 and IFRS 11)</p> <p>ED published June 2016</p>	<p>To clarify how an entity accounts for previously held interests when it obtains control or joint control of a business that is a joint operation.</p>	<p>At its April 2017 meeting the Board decided to finalise the proposed amendments to IFRS 3 and IFRS 11 relating to previously held interests. The Board will consider the effective date and due process steps for these amendments at a future meeting.</p>	<p>Issue IFRS amendment after 6 months.</p>

## Appendix B—Interpretation Committee activities and implementation projects

Progress on narrow-scope amendments and IFRIC Interpretations			
Project	Objective	Status	The Board's/IFRS Interpretations Committee's next steps
<p><b>Improvements to IFRS 8 <i>Operating Segments</i></b> <i>(Proposed amendments to IFRS 8 and IAS 34)</i></p> <p>ED published March 2017</p>	<p>To address matters arising from the post-implementation review of IFRS 8.</p>	<p>ED open for comment.</p>	<p>ED comment period closes 31 July 2017.</p>
<p><b>Plan Amendment, Curtailment or Settlement / Availability of a Refund</b> (Amendments to IAS 19 and IFRIC 14)</p> <p>ED published June 2015</p>	<p>To clarify:</p> <p>(a) the accounting when a plan amendment, curtailment or settlement occurs; and</p> <p>(b) the availability of a refund of a surplus from a defined benefit plan when independent trustees have particular powers.</p>	<p>At its April 2017 meeting the Board tentatively decided to finalise the proposed amendments, subject to drafting changes.</p> <p>The Board will be provided with information on the expected effect of the proposed amendments to IFRIC 14 at a future meeting. The Board will also discuss the effective date and due process steps at that meeting.</p>	<p>Issue IFRS amendment within 6 months.</p>

## Appendix B—Interpretation Committee activities and implementation projects

<b>Progress on narrow-scope amendments and IFRIC Interpretations</b>			
<b>Project</b>	<b>Objective</b>	<b>Status</b>	<b>The Board's/IFRS Interpretations Committee's next steps</b>
<p><b>Property, Plant and Equipment: Proceeds before Intended Use</b> (Proposed amendments to IAS 16)</p>	<p>To address identified diversity relating to proceeds from selling items produced while an item of property, plant and equipment is being developed for use.</p>	<p>At its November 2016 meeting the Board members confirmed that all the necessary due process steps on the project to date have been undertaken and instructed the staff to begin the balloting process for the publication of an ED.</p> <p>One Board member has indicated that he may dissent from the proposed amendment to IAS 16.</p>	<p>Publish an ED within 3 months, expected June 2017.</p>
<p><b>Prepayment Features with Negative Compensation</b> (Previously called Symmetric Prepayment Options)  (Proposed amendments to IFRS 9)  ED published April 2017</p>	<p>To examine whether amortised cost measurement would provide relevant and useful information for instruments that contain symmetric prepayment options and otherwise have contractual cash flows that are solely payments of principal and interest.</p>	<p>ED open for comment. (See paragraphs 11–15).</p>	<p>ED comment period closes 24 May 2017.</p>

## Appendix B—Interpretation Committee activities and implementation projects

<b>Progress on narrow-scope amendments and IFRIC Interpretations</b>			
<b>Project</b>	<b>Objective</b>	<b>Status</b>	<b>The Board's/IFRS Interpretations Committee's next steps</b>
<b>Uncertainty over Income Tax Treatments</b> (IFRIC Interpretation)	To provide requirements on the accounting for current and deferred tax liabilities as when there is uncertainty over income tax treatments.	At its meeting in May 2017 the Board will be asked to ratify the issuing the IFRIC Interpretation.	Subject to ratification by the Board, issue an IFRIC Interpretation which is expected in June 2017.
<b>Annual Improvements 2015-2017</b>	The Board has adopted the Annual Improvements process to deal efficiently with a collection of unrelated minor amendments to IFRS Standards.	The ED was published January 2017 and closed for comment on 12 April 2017.	The Board will consider the comments received on the ED at a future meeting.

## Appendix C—IFRS Taxonomy projects

### DPOC role in IFRS Taxonomy

- D1 The *Due Process Handbook* was updated in May 2016 to incorporate IFRS Taxonomy due process. The information below provides the DPOC with an update on the progress of current IFRS Taxonomy projects.
- D2 Each year, the Taxonomy team release a compilation of Taxonomy Updates released in the previous year (the Annual Taxonomy). This year the Annual Taxonomy was released in March 2017.

### IFRS Taxonomy Update on Insurance Contracts

<b>Project objective</b>	A Taxonomy Update based on the presentation and disclosure requirements of the new Insurance Contracts Standard.
<b>Current status</b>	Drafting proposed Taxonomy Update of IFRS 17.
<b>Next due process step</b>	The proposed Taxonomy Update is expected to be published at the same time as (or shortly after) IFRS 17 (May 2017).

### Common Practice (agriculture, leisure, franchises, retail and financial institutions)

<b>Project objective</b>	The Update proposes additions to the IFRS Taxonomy for disclosures that are common practice in agriculture, leisure, franchises, retail and financial institutions.
<b>Last due process document</b>	Common Practice Taxonomy Update published December 2016 with a comment letter period of 60 days.
<b>Current status</b>	Completed.
<b>Next due process step</b>	In accordance with the agreed due process, the Board does not approve Common Practice Updates. However, a group of 5 Board members reviews the proposed additions to the IFRS Taxonomy before the update is finalised.
<b>Timing</b>	The Update was finalised and the proposed additions were included in the Annual Taxonomy 2017 (published in March 2017).

## Appendix D—Post-implementation review

### Post-implementation review (PIR) of IFRS 13 *Fair Value Measurement* summary

<b>Project objective</b>	To assess the effect of the new requirements of IFRS 13 <i>Fair Value Measurement</i> on investors, preparers and auditors.
<b>Current status</b>	At its February 2017 meeting the Board confirmed that it was satisfied that the due process steps have been completed for phase 1 of the project (see paragraph 19–22).
<b>Next due process step</b>	To publish a Request for Information.
<b>DPOC Role</b>	As stated in paragraph 6.63 of the <i>Due Process Handbook</i> ‘The IASB must report regularly to the DPOC during the period of a PIR and must inform the DPOC when it has completed its review and provide the DPOC with a draft of the report. When the DPOC is satisfied that the IASB has completed the review satisfactorily, the report can be finalised’.
<b>Timing</b>	The Board intends to publish a Request for Information in May 2017.



## Appendix E—Compliance report

E1 Details of Board papers posted after the posting deadline in the period January to April 2017 are as follows:

<b>Agenda Paper</b>	<b>Name</b>	<b>Posted</b>	<b>Reason</b>
<b>2</b>	Insurance Contracts	13 February 2017	Late posting as a result of the two papers below.
<b>2A</b>	Insurance Contracts	13 February 2017	Late posting in order to include all information received from comments on the external editorial review.
<b>2C</b>	Insurance Contracts	13 February 2017	Late posting in order to include all information received from comments on the external editorial review.

## Appendix F—Work Plan as at 28 April 2017

	Current activity	Next major milestone			Timing change from the January report to the DPOC
		Within 3 months	Within 6 months	After 6 months	
<b>Research projects</b>					
<b>Disclosure Initiative: Principles of Disclosure</b> (Comment period ends 2 October 2017)	Public Consultation			Decide Project Direction	DP Published March 2017
<b>Primary Financial Statements</b>	Analysis			Publish DP or ED	No change
<b>Business Combinations under Common Control</b>	Analysis			Publish DP	No change
<b>Dynamic Risk Management</b>	Analysis			Publish DP	No change
<b>Financial Instruments with Characteristics of Equity</b>	Drafting			Publish DP	No change
<b>Goodwill and Impairment</b>	Analysis			Decide Project Direction	No change
<b>Discount Rates</b>	Drafting		Publish Research Summary		No change
<b>Share-based Payment</b>	Drafting	Publish Research Summary			Delayed
<b>Standard-setting and related projects</b>					
<b>Conceptual Framework</b>	Drafting			Publish Conceptual Framework	No change
<b>Disclosure Initiative: Materiality Practice Statement</b>	Drafting	Publish Practice Statement (Expected June)			Updated to reflect expected publication in June 2017.
<b>Disclosure Initiative: Definition of Materiality</b> (Proposed amendments to IAS 1 and IAS 8)	Drafting	Publish ED (Expected June)			Updated to reflect expected publication in June 2017.
<b>Insurance Contracts</b>	Drafting	Issue IFRS Standard (Expected May)			Change—previously expected in March 2017.
<b>Rate-regulated Activities</b>	Analysis			Publish DP	No change

## Appendix F—Work Plan as at 28 April 2017

	Current activity	Next major milestone			Timing change from the January report to the DPOC
		Within 3 months	Within 6 months	After 6 months	
<b>Narrow-scope amendments and IFRIC Interpretations</b>					
<b>Accounting Policies and Accounting Estimates</b> (Proposed amendments to IAS 8)	Drafting	Publish ED (Expected June)			Updated to reflect expected publication in June 2017.
<b>Classification of Liabilities</b> (Amendments to IAS 1)	Analysis			Issue IFRS Amendment	No change
<b>Definition of a Business</b> (Proposed amendments to IFRS 3)	Analysis	Decide Project Direction			Remains within 3months classification
<b>Previously Held Interests in a Joint Operation</b> (Proposed amendments to IFRS 3 and IFRS 11)	Analysis			Issue IFRS Amendment	Now reported as a separate item on the Work Plan
<b>Improvements to IFRS 8 Operating Segments</b> (Proposed amendments to IFRS 8 and IAS 34) (Comment period ends 31 July 2017)	Public Consultation			Decide project direction	ED published in March 2017
<b>Plan Amendment, Curtailment or Settlement / Availability of a Refund</b> (Amendments to IAS 19 and IFRIC 14)	Analysis		Issue IFRS Amendment		Updated to reflect expectation to Issue IFRS within 6 months
<b>Property, Plant and Equipment: Proceeds before Intended Use</b> (Proposed amendments to IAS 16)	Drafting	Publish ED (Expected June)			Updated to reflect expected publication in June 2017.
<b>Prepayment Features with Negative Compensation</b> (Proposed amendments to IFRS 9) (Comment period ends 24 May 2014)	Public Consultation	Decide Project Direction			ED published in April 2017
<b>Uncertainty over Income Tax Treatments</b> (IFRIC Interpretation)	Drafting	Issue IFRIC Interpretation (Expected June)			Updated to reflect expected issuance June 2017.
<b>Annual Improvements 2015-2017</b> (Comment period ended 12 April 2017)	Analysis	Decide Project Direction			ED published January 2017

## Appendix F—Work Plan as at 28 April 2017

IFRS Taxonomy					
IFRS Taxonomy Update on Insurance Contracts	Drafting	Publish Proposed Update (Expected May)			Change—previously expected March 2017.
Post-implementation reviews					
PIR of IFRS 13 <i>Fair Value Measurement</i>	Drafting	Publish Request for Information (Expected May)			
PIR of IFRS Standards 10-12 relating to consolidated financial statements, and joint arrangements				Initiate PIR	No change