

Summary note of the Accounting Standards Advisory Forum

Held remotely on 31 March and 1 April 2022.

This note is prepared by staff of the International Accounting Standards Board (IASB) and summarises the discussion that took place with the Accounting Standards Advisory Forum (ASAF). A full recording of the meeting is available on the IFRS® Foundation website.¹

Region	Members (participating remotely via video)
Africa	Pan African Federation of Accountants (PAFA)
Asia-Oceania (including one at large)	Asian-Oceanian Standard-Setters Group (AOSSG) Accounting Standards Board of Japan (ASBJ) Accounting Regulatory Department, Ministry of Finance PRC (ARD) Korea Accounting Standards Board (KASB)
Europe (including one at large)	European Financial Reporting Advisory Group (EFRAG) Autorité des normes comptables (ANC) UK Endorsement Board (UKEB) Accounting Standards Committee of Germany (ASCG)
The Americas	Group of Latin American Accounting Standard Setters (GLASS) Canadian Accounting Standards Board (AcSB) Financial Accounting Standards Board, United States (FASB)

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Rate-regulated Activities

1. The purpose of this session was to provide an update on the IASB's Rate-regulated Activities project and seek ASAF members' views and suggestions on:
 - (a) the IASB's plan for redeliberations of the Exposure Draft *Regulatory Assets and Regulatory Liabilities*, including whether ASAF members agree that the IASB should prioritise the redeliberations on the proposals relating to scope and to total allowed compensation; and
 - (b) how the IASB might approach future redeliberations about the scope of the project.

Plan for redeliberations

2. ASAF members generally agreed with the IASB's approach to prioritise its redeliberations on the proposals relating to scope and to total allowed compensation:
 - (a) the ANC member said the IASB should clarify the scope of the proposed Accounting Standard. The member also said the IASB's tentative decisions were helpful because they have helped to address some concerns about the proposed scope mentioned in stakeholders' comment letters.
 - (b) the FASB member said stakeholders in the US would prefer the IASB issue an Accounting Standard that would require the recognition of regulatory assets and regulatory liabilities because it would align more closely with US GAAP.
 - (c) the UKEB member said UKEB stakeholders are most concerned about the proposals on total allowed compensation, and, in particular, on the proposed treatment of returns on assets not yet available for use. The member also said that, in the UK, there is a disconnect between the regulatory capital base and an entity's own assets. Consequently, the UKEB will monitor the redeliberations of the total allowed compensation proposals. The AOSSG said the disconnect between the regulatory capital base and an entity's own assets is also an important issue for an AOSSG jurisdiction.

- (d) the ASCG member said the staff have correctly identified the concerns about the proposals that should be prioritised. The member added ASCG stakeholders are particularly concerned about the proposal that an entity recognise no regulatory returns on assets not yet available for use during the construction period because these stakeholders say entities are providing a service during that period.
- (e) the ARD member said that for ARD stakeholders the scope and the recognition of regulatory assets and regulatory liabilities are important aspects of the model, with the scope being, to them, the highest priority issue.
- (f) the EFRAG member said reactions to the approach taken to redeliberations are positive. However, some stakeholders in Europe would prioritise IASB's redeliberations on the recognition threshold for regulatory assets and regulatory liabilities that are subject to a high level of uncertainty.

3. Some members expressed concerns:

- (a) the EFRAG member questioned whether the IASB would resolve the self-regulation issue with its approach to clarifying that self-regulation would be outside the scope of the Accounting Standard to be issued. The member suggested the staff share a near final draft of the requirements in this area to test whether the IASB's approach will solve the issue.
- (b) the ARD member said ARD stakeholders have expressed concerns about the decision not to specify which regulatory schemes would be within or outside the scope of the Accounting Standard to be issued. According to this member this decision might unintentionally expand the scope of the Accounting Standard to be issued and create uncertainties about the recognition and measurement of regulatory assets and regulatory liabilities. The IASB Chair responded that the IASB decided against specifying which regulatory schemes would be within the scope of the Accounting Standard to be issued because regulatory schemes vary among jurisdictions and schemes evolve over time.
- (c) the PAFA member said the scope of the Exposure Draft was unclear and that the IASB should clarify and narrow the scope.

Suggestions on how to approach redeliberations on the scope

4. The ANC and ASCG members said some stakeholders in their jurisdictions either assume that, or wonder whether, the aim of the project is to align financial reporting with regulatory reporting. To these members, this project does not intend to align financial reporting with regulatory reporting; however, they suggest that, during the future redeliberations on the scope, the IASB clarify its intention.
5. The ASBJ member suggested the IASB discuss scope and total allowed compensation as a package because, to this member, they are interrelated.
6. The AcSB member suggested the Accounting Standard not apply to agreements, arrangements and activities that would be within the scope of IFRS 9 *Financial Instruments* and IFRS 17 *Insurance Contracts*. The member suggested that assessment and audit costs for preparers would outweigh the benefits of including requirements on such agreements, arrangements and activities in the scope of the Accounting Standard.
7. The ARD member suggested the IASB undertake further research on the relationship between the project proposals and transactions within the scope of IFRS 15 *Revenue from Contracts with Customers* and IFRIC 12 *Service Concession Arrangements*. The GLASS member also said illustrative examples would help clarify the interaction between the proposals and IFRIC 12. The member offered to help the staff develop such examples.
8. The AOSSG member said an AOSSG jurisdiction suggested the IASB should conduct more research to identify different regulatory schemes. The member added this research should cover jurisdictions with both developed and developing rate-regulated activities because the research would help shape the scope of the Accounting Standard to be issued.

Other matters

9. The AcSB member said the securities regulator in Canada has granted regulated entities temporary relief from applying IFRS Accounting Standards. This relief has been in place since 2011 but will expire in 2024. Consequently, this member suggested the staff provide an estimated timeline for issuing the new Accounting Standard.

10. The FASB member suggested the IASB consider some of the requirements in US GAAP when redeliberating topics such as the total allowed compensation and the discount rate because these requirements provide users of financial statements with useful information. However, this member also acknowledged that US GAAP is based on cost-based regulation whereas the Accounting Standard to be issued will need to consider a variety of regulatory schemes.
11. The ANC member said ANC stakeholders are interested in redeliberations on disclosure because they have mixed views on the proposed disclosure requirements. The EFRAG member added that some stakeholders in Europe have raised concerns about the details that would be required in the proposed disclosures and the proposed transition requirements.
12. The UKEB member said the UKEB is setting up a working group for rate regulation. This member suggested the IASB should seek to develop an Accounting Standard that is sufficiently principles-based to accommodate differences between regulatory frameworks globally.
13. The EFRAG member said EFRAG expects that the IASB will need to do more focused outreach and testing on the project. EFRAG is planning to host discussions with its rate-regulated working group and invited the staff to participate in those discussions.

Non-current Liabilities with Covenants

14. The purpose of this session was to seek ASAF members' views on the Exposure Draft *Non-current Liabilities with Covenants*, which proposes amendments to IAS 1 *Presentation of Financial Statements*. The staff asked members whether they agreed with the IASB's proposals on:
 - (a) *classification of liabilities as current or non-current*—only covenants with which an entity must comply on or before the reporting date would affect a liability's classification as current or non-current.
 - (b) *separate presentation*—an entity would be required to present separately in its statement of financial position non-current liabilities subject to compliance with covenants within 12 months after the reporting date.

- (c) *disclosure of information about covenants*—an entity would be required to disclose information that enables investors to assess the risk that the liability could become repayable within 12 months, including:
 - (i) the covenants (their nature and the date on which the entity must comply with them);
 - (ii) whether the entity would have complied with the covenants at the reporting date; and
 - (iii) whether and how the entity expects to comply with the covenants in the future.

Overall agreement with amending IAS 1

- 15. ASAF members welcomed the IASB’s decision to propose amendments to IAS 1 in response to stakeholders’ concerns about the outcomes of applying *Classification of Liabilities as Current or Non-current* (amendments to IAS 1 issued in 2020).

Classification of liabilities as current or non-current

General classification proposals and the clarification in paragraph 72C of the Exposure Draft

- 16. ASAF members generally agreed with the IASB’s proposals on the classification of liabilities as current or non-current (paragraph 72B of the Exposure Draft)—that is, only covenants with which an entity must comply on or before the reporting date would affect a liability’s classification as current or non-current.
- 17. Some ASAF members commented on the clarification in paragraph 72C of the Exposure Draft. ASAF members said:
 - (a) the notion of an ‘uncertain future event or outcome’ whose occurrence is ‘unaffected by the entity’s future actions’ is new. There is therefore a risk that stakeholders’ interpretations would vary.
 - (b) the paragraph could result in many liabilities being classified as current, particularly if the paragraph is interpreted as capturing common clauses in loan agreements.

18. ASAF members suggested the IASB either remove paragraph 72C of the Exposure Draft from the amendments to be issued or provide further application guidance or illustrative examples.

Scope of the project and finalisation

19. The FASB and UKEB members advised the IASB to keep the narrow focus of the project so that the amendments can be issued quickly. While supporting the finalisation of the proposals with a narrow scope, the EFRAG member suggested the IASB further consider the requirement in paragraph 69(d) of IAS 1.

Other aspects

20. The EFRAG and PAFA members suggested the IASB clarify the relationship between paragraphs 75 and 72B of the Exposure Draft. The EFRAG member also suggested the IASB clarify how to interpret ‘substance’ in paragraph 72A of the Exposure Draft when covenants are required shortly after the reporting date.
21. The GLASS member suggested reconsidering the requirement that waivers obtained after the reporting date do not affect the classification at the reporting date, but acknowledged that this would be beyond the scope of the Exposure Draft.

Separate presentation of non-current liabilities with covenants

22. ASAF members generally disagreed with the proposal to require separate presentation of non-current liabilities with covenants in the statement of financial position for the reasons set out in the alternative view to the Exposure Draft.

Disclosure of information about covenants in the notes

23. ASAF members generally agreed that entities should be required to disclose information about covenants. However, the ANC and EFRAG members said the IASB should require disclosure only of a subset of liabilities with covenants—for example, a subset based on the probability of not complying with covenants—to prevent entities from providing boilerplate information. The AOSSG, ASCG and KASB members said it was difficult to apply materiality judgements in this area, which involves assessing both the likelihood of a breach of covenants and the magnitude of its consequences. The ASBJ member suggested adding more guidance on how to apply materiality judgements so that an entity discloses only information that is relevant to users.

24. The AOSSG, ASBJ, ASCG and KASB members commented on the proposal to require disclosure of whether and how the entity expects to comply with covenants in the future. The KASB member said it would be difficult for entities to explain how they expect to comply with covenants. The ASCG member said that the proposal would require entities to disclose their expected behaviour and that similar disclosures are not required in other areas of financial reporting (such as goodwill impairment).
25. The ANC, GLASS and PAFA members suggested considering whether the disclosure requirements should be included in IFRS 7 *Financial Instruments: Disclosures* instead of IAS 1.
26. The ASCG member suggested requiring entities to disclose whether they have obtained waivers or renegotiated covenants during the reporting period, saying such information would be a good indicator of the risk of a future breach.

Primary Financial Statements

27. The purpose of this session was:
 - (a) to provide ASAF members with an update on the IASB's redeliberations on the proposals in the Exposure Draft *General Presentation and Disclosure* (Exposure Draft) and seek general advice on the way forward; and
 - (b) to give ASAF members an overview of the feedback and the current status of the redeliberations and to seek advice from ASAF members on the proposals requiring entities that report operating expenses by function in the statement of profit or loss to disclose totals of expenses by nature in the notes.

Project status update

28. ASAF members were asked whether they have any suggestions for the IASB in approaching the remaining topics to be redeliberated.
29. ASAF members shared their suggestions on:
 - (a) project direction (paragraphs 30–34);
 - (b) categories and subtotals (paragraphs 35–37);
 - (c) management performance measures (paragraphs 38–42); and

- (d) disaggregation (paragraphs 43–45).

Project direction

- 30. The AcSB member said that, to AcSB stakeholders, the primary financial statements project is important and will improve comparability of the financial statements; these stakeholders agree that the IASB should progress with the project.
- 31. The AcSB, ANC and ARD members said stakeholders are pleased with the progress that the IASB is making with the redeliberations. In general, they agree with the decisions made to date.
- 32. The AOSSG and ARD members asked the IASB to prioritise the redeliberations on:
 - (a) the proposals for entities with specified main business activities; and
 - (b) the definition of unusual income and expenses.
- 33. The ARD member suggested that the IASB consider carrying out more outreach on the remaining topics to be redeliberated to better coordinate the proposals with regulatory requirements. The ARD and EFRAG members suggested the IASB perform targeted outreach on the proposals related to disclosure of operating expenses by nature.
- 34. The EFRAG member said EFRAG is happy to cooperate with the IASB on targeted outreach and testing of the proposals that have been redeliberated. The ANC and EFRAG members said that some changes from the proposals in the Exposure Draft should be tested, including:
 - (a) the change in approach to classifying income and expenses within the financing category; and
 - (b) the rebuttable presumption and the change in the disclosure requirements for the reconciliation of management performance measures.

Categories and subtotals

- 35. The GLASS member said GLASS stakeholders disagree with the proposal to classify all income and expenses from associates and joint ventures accounted for using the equity method in the investing category. They would like the IASB to consider requiring entities to classify in the operating category income and expenses from associates and joint ventures accounted for using the equity method when the

activities of the associate or joint venture correspond to the main business activities of the entity.

36. The ASCG member asked the IASB to provide illustrative examples highlighting the relationship between the proposed approach to classifying income and expenses in the financing category of the statement of profit or loss and classification of cash flows in the statement of cash flows.
37. The GLASS member said GLASS agrees with the IASB's proposed operating, investing and financing categories for the statement of profit or loss. However, the IASB should consider requiring entities applying IAS 29 *Financial Reporting in Hyperinflationary Economies* to present foreign exchange differences and gain or loss on net monetary position in a separate category.

Management performance measures

38. The ASBJ member said management performance measures should be presented in the statement of profit or loss with equal prominence as that given to required subtotals. In contrast, the ASCG member agreed with the requirement to disclose management performance measures in the notes, rather than presenting them in the statement of profit or loss.
39. The EFRAG member said the IASB should allow entities to disclose performance measures related to the statement of financial position and ratios, such as net debt to EBITDA.
40. The ASBJ member agreed with the requirement to disclose a reconciliation between a management performance measure and the most directly comparable subtotal or total specified by IFRS Accounting Standards. The ANC, ASBJ and EFRAG members expressed concerns about the cost and auditability of the information resulting from the requirement to disclose the income tax effect and the effect on non-controlling interests for each reconciling item.
41. The ASBJ member acknowledged the IASB's efforts to address concerns raised about whether alternative performance measures disclosed in accordance with local generally accepted accounting principles (GAAP) would be in the scope of management performance measures. However, the member does not think that the proposed rebuttable presumption will fully address these concerns.

42. The AcSB member said AcSB stakeholders are exploring which alternative performance measures would be management performance measures as defined by the IASB and would be included in the financial statements and which would continue to be published in the management discussion and analysis. They are considering the best way to approach this issue to ensure that users are not inconvenienced and to prevent discontinuity in information. The member said determining which management performance measures as defined by the IASB would be included in the financial statements would be important to the proposals' acceptance.

Disaggregation

43. The EFRAG member acknowledged the challenges in reaching consensus on unusual items and suggested that the IASB consider guidance from regulators, such as the guidance of the US Securities and Exchange Commission (SEC) on recurring and non-recurring items.
44. The ANC member agreed with the IASB's decision to allow the mixed presentation approach for operating expenses and remove its prohibition from the proposals in the Exposure Draft. The member asked the IASB to make progress in providing application guidance for this topic.
45. The ANC member agreed with the IASB's decision to require an entity to present minimum line items only when the resulting presentation does not detract from the primary financial statement providing an understandable overview. In response to a comment by the ANC member, the staff clarified that the IASB already decided on the proposal to require entities to disclose in the notes minimum line items that are not presented in the primary financial statements.

Disclosure of operating expenses by nature in the notes

46. The staff provided ASAF members with an overview of a partial matrix approach the IASB could consider and initial feedback received on this approach. The staff provided an overview of two versions of a partial matrix:
- (a) Partial Matrix 1—the IASB specifies the expenses by nature to be disaggregated by function (for example, how much employee benefits is included in cost of sales); and

- (b) Partial Matrix 2—the IASB specifies the functions to be disaggregated by nature (for example, which expenses by nature are included in cost of sales).
- 47. ASAF members were asked whether:
 - (a) in their jurisdiction, there are particular benefits or costs associated with a partial matrix approach, compared to the proposed approach in the Exposure Draft, that the IASB should consider and which approach would be preferable and why; and
 - (b) ASAF members have any additional suggestions about potential standard-setting the IASB could provide to alleviate the costs of a partial matrix approach.
- 48. ASAF members commented on:
 - (a) a partial matrix approach in general (paragraphs 49–56);
 - (b) costs and benefits of Partial Matrix 1 and Partial Matrix 2:
 - (i) preparer perspective (paragraphs 57–60);
 - (ii) user perspective (paragraphs 61–63);
 - (c) the staff’s suggestions to alleviate the costs of a partial matrix (paragraphs 64–65); and
 - (d) other comments (paragraphs 66–67).

General comments on a partial matrix approach

- 49. The EFRAG member said EFRAG would like to further explore a partial matrix approach and conduct more outreach on this topic.
- 50. The UKEB member supported a partial matrix approach because it would provide users with additional information needed for risk and margin analysis. The ASBJ and UKEB members expressed concerns about requirements to specify the expenses by nature or specify the functions to be disaggregated because material information varies from entity to entity.

51. The AcSB member agreed with the IASB exploring a partial matrix approach but added that:
- (a) one approach may work better in one type of company or industry and another approach may work better in another type of company or industry;
 - (b) it may be challenging for the IASB to find a solution because IFRS Accounting Standards do not have industry-specific disclosure requirements; and
 - (c) in finding a solution for the disclosure of expenses by nature, the IASB should consider the overall cost to entities of implementing all the changes that would be required by the Accounting Standard to be issued.
52. The ANC and ARD member said the IASB had accurately identified the costs and challenges preparers would face in taking a partial matrix approach. In addition:
- (a) the ANC member pointed out that preparers had varied views about whether a partial matrix would be costly because the costs depend on an entity's structure, costing systems and business model. Costs also depend on the information reviewed by management—information may be available for a business unit or individual entity, but providing information for the group is challenging due to intercompany eliminations;
 - (b) the ARD member said preparers were concerned that any partial matrix approach would be costly and challenging; in particular, providing disaggregated information on cost of sales might not be feasible with current cost accounting systems;
 - (c) the KASB member said entities are likely to face varied challenges with regards to a partial matrix approach—large entities are unlikely to face challenges providing either version of a partial matrix, but small or medium size (manufacturing) entities would need to make substantial changes to their systems; and
 - (d) the AOSSG member said both partial matrices would increase costs for preparers because adjustments to systems would be necessary, in particular when a single function is made up of multiple general ledger accounts.

53. The KASB member acknowledged that users would welcome disaggregated information for their analysis but that preparers were concerned that a partial matrix approach would lead to an entity having to disclose commercially sensitive information. The ANC and ASBJ members said the IASB should better explain the benefits for users in having disaggregated information; for example, the ANC member said:
- (a) preparers find it difficult to understand why users need information that is not used internally by management; and
 - (b) applying IAS 1, an entity is already required to provide information on depreciation, amortisation, and employee benefits and users had so far not requested preparers to provide additional information.
54. One IASB member and the staff explained that disaggregated information on expenses by nature is beneficial to users because:
- (a) information on the composition of important functions, such as cost of sales, helps users forecast gross margins of entities that present operating expenses by function;
 - (b) knowing how much depreciation and amortisation is allocated to the respective functions helps users make better cash flow projections; and
 - (c) users have said they need more information on the composition of functions to understand an entity's business better.
55. The FASB member explained that:
- (a) the FASB had restarted its project 'Disaggregation—income statement expenses' (formerly known as 'Financial Performance Reporting—disaggregation of performance information') and that in 2017 the project focused on disaggregation of cost of revenue and selling, general and administrative expenses (SG&A)—which is similar to the Partial Matrix 2 approach;
 - (b) the cost concerns the FASB had heard from preparers before pausing the project were similar to those the ASAF members had mentioned; and

- (c) preparers had also asked why users would need disaggregated information if entities were not using such detailed information internally.
56. The FASB member added that preparers' and users' needs would not necessarily overlap but that the costs of providing disaggregated information might be justified because it is so important for users, in particular for:
- (a) valuing an entity and forecasting future cash flows; or
 - (b) understanding which costs are more fixed, which costs move with revenue and which costs are infrequent.

Costs and benefits of Partial Matrix 1 and Partial Matrix 2

Preparer perspective

57. The ANC member preferred Partial Matrix 1 because it is the closest to the requirements in IAS 1. The ANC member said the only feasible approach would be to require disaggregation of functions into a limited number of expenses by nature (Partial Matrix 1), but acknowledged that such a requirement would not always lead to entities providing entity-specific material information. Partial Matrix 2, on the other hand, would not provide any cost relief for preparers compared with the proposals in the Exposure Draft.
58. The UKEB member said Partial Matrix 1 is likely to be less costly than Partial Matrix 2 because the information is more likely to be available.
59. The ASCG member said both partial matrices would be costly and challenging for preparers especially for groups with many intergroup transactions whose expenses are consolidated or where the legal entities of a group use different IT systems. The ASCG member slightly preferred Partial Matrix 1, saying it was a more feasible approach.
60. The GLASS member said that for preparers in Latin America it would not be challenging to provide disaggregated information because it was already either common practice or mandatory in several Latin American countries. However, the GLASS member also said that due to entities' varied circumstances, general principles may work better than specific disclosure requirements.

User perspective

61. The ASCG member said the feedback from users suggested that Partial Matrix 1 has a higher likelihood of providing useful information on non-cash items for users' cash flow projections.
62. The AOSSG member said users have indicated a preference for Partial Matrix 1 because it would provide breakdowns of depreciation, amortisation and employee benefits.
63. The UKEB member also said Partial Matrix 2 is likely to be more useful from a user perspective (in particular, for risk and margin analysis).

Suggestions to alleviate the costs of a partial matrix

64. The UKEB member said the UKEB would like to test whether the staff's suggestions on how the IASB could reduce costs for preparers would work in practice.
65. The ARD member said stakeholders had suggested the IASB either:
 - (a) give an option for entity to voluntarily disclose information on expenses by nature; or
 - (b) provide detailed guidance to ensure operability.

Other comments

66. The ASBJ and ASCG members said requiring information on expenses by nature from entities reporting operating expenses by function would lead to an asymmetric treatment of entities reporting operating expenses by function and those reporting such expenses by nature.
67. The ASBJ and KASB members said the IASB should clarify whether a cost approach or an expense approach was required with regards to information on operating expenses by nature.

Supplier Finance Arrangements

68. The objective of this session was to seek feedback from ASAF members on whether the proposed disclosures in the Exposure Draft *Supplier Finance Arrangements* would enable investors to assess the effects that supplier finance arrangements have on an entity's liabilities and cash flows.

Scope

69. The ANC, ASBJ, EFRAG, GLASS and PAFA members said the description of supplier finance arrangements in paragraph 44G of the Exposure Draft may not be adequate to capture the arrangements the IASB intends, including arrangements that will emerge in the future. The ANC and GLASS members observed that not all supplier finance arrangements are the same and suggested the IASB consider whether it might be possible to distinguish between arrangements.

Proposed disclosure requirements

70. ASAF members generally support the project because of the transparency it will provide about an entity's supplier finance arrangements.
71. The ANC, AOSSG, KASB, EFRAG, FASB, PAFA and UKEB members questioned the practicality and cost for an entity to obtain information about the carrying amount of financial liabilities for which suppliers have already received payment from the finance providers.
72. The ASCG, EFRAG and PAFA members commented on the proposal to require disclosure for each arrangement and questioned whether that level of disaggregation is necessary and how an entity would make materiality judgements when applying the proposed requirement.
73. The ARD member said paragraph 44H(c) of the Exposure Draft may not be necessary because it overlaps with requirements in paragraph 39 of IFRS 7 for an entity to disclose a maturity analysis for financial liabilities.
74. The EFRAG and KASB members suggested that requiring disclosure of a weighted average or average of payment due dates would be more useful than a range of payment due dates.
75. The ARD member suggested further clarifying the meaning of 'non-cash changes' in paragraph 44B of the Exposure Draft.

Additional disclosure requirements

76. The AOSSG and UKEB members suggested requiring disclosure of the cash flow effect of supplier finance arrangements, including the line item(s) in the statement of cash flows in which cash flows are presented.

77. The ANC and EFRAG members suggested extending the disclosure objective to include information about the effect of supplier finance arrangements on an entity's financial performance (in the statement of profit or loss).
78. The AOSSG member said information about the size of supplier finance arrangements is useful. The disclosure requirements could, for example, include a roll-forward (reconciliation) of the carrying amount of the financial liabilities that form part of the arrangement.

Agenda planning and feedback from the previous ASAF meeting

79. The objective of this session was to discuss the proposed topics for the next ASAF meeting, which is scheduled to take place on 11–12 July 2022. ASAF members agreed with the proposed topics.
80. In discussions on additional topics:
- (a) the AcSB, ANC, ASCG and EFRAG members said the proposed discussion about the Post-implementation Review of IFRS 9 could be expanded to cover financial assets with sustainability-linked features, and, in particular, to cover any issues in accounting for those assets (for example, uncertainties about the application of the SPPI test and of the effective interest rate method).
 - (b) the EFRAG member suggested discussing:
 - (i) the project on Rate-regulated Activities, depending on how the IASB's discussions develop in the next months; and
 - (ii) the relationship between the project to amend the requirements in IFRS 16 *Leases* for the measurement of lease liabilities in sale and leaseback transactions and the Post-implementation Review of IFRS 16, depending on the project timetable. The staff explained that the IASB has completed discussions on the Lease Liability in a Sale and Leaseback project and plans to issue only a narrow-scope amendment to IFRS 16 in the coming months.
 - (c) the GLASS member said GLASS might present research on inflation.

- (d) the ANC member suggested discussing connections between Accounting Standards and Sustainability Disclosure Standards. The member said ANC and EFRAG have already started to work on this topic and might share their preliminary work with ASAF members at a future meeting.
- (e) the AOSSG member suggested discussing an update on the project to review the *IFRS for SMEs* Accounting Standard.