
IASB[®] meeting

Date	July 2023
Project	Extractive Activities
Topic	Summary of feedback—Other information about E&E expenditure and activities
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Purpose

1. As explained in Agenda Paper 19, we asked stakeholders for suggestions to improve information about exploration and evaluation (E&E) expenditure and activities in addition to the three suggestions we discussed with stakeholders as summarised in the other agenda papers to this meeting (other suggestions). This paper summarises that feedback.

Summary of feedback

2. Many stakeholders we spoke to provided suggestions of other information about E&E expenditure and activities that, in their view, could be useful.
3. Many stakeholders suggested disclosing an aging of E&E assets. One preparer said if information about risks and uncertainties are disclosed by region it will be difficult to provide information about the stage of E&E activity on such an aggregated basis and aging of the E&E spend could help because the age of E&E assets could provide some indication of the stage of the activity. This preparer said information about the aging of E&E assets could also be useful because it could provide an indication of the recoverability of E&E assets.

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4. Many stakeholders provided other suggestions however, these suggestions were generally made by only one of these stakeholders, for example:
- (a) information about whether decommissioning provisions relate to E&E activities or to producing activities because the timing and amount of decommissioning provisions related to E&E activities would depend on the success of E&E activities;
 - (b) success rate for E&E activities;
 - (c) commentary on successes and lessons learned from E&E activities;
 - (d) accounting policy for when entities do not plan to explore further and whether any associated E&E assets are written-off or impaired, and cumulative impairment losses eligible for reversal if the latter;
 - (e) analysis of E&E expenditure by cash and non-cash amounts;
 - (f) fair value of E&E assets that are measured at historic cost;
 - (g) sources of funding;
 - (h) tax deductibility of E&E expenditure;
 - (i) guidance on the classification of E&E assets as tangible or intangible assets;
and
 - (j) information about expected future E&E expenditure.
5. Because many stakeholders we spoke to commented on information about the aging of E&E assets, we asked the NSS to ask stakeholders in their jurisdictions whether this information would be useful.
6. One NSS reported users in their jurisdiction were generally supportive of requiring entities to disclose information on the aging of E&E assets although they said they could work this out themselves, and preparers in their jurisdiction said this information would be reasonable to disclose as long as it could be summarised in multi-year time bands.

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7. One auditor that one NSS spoke to suggested disclosing information about changes in an entity's interests in tenements during the period. One regulator suggested providing guidance on the classification of E&E assets as tangible or intangible.

Question for the IASB

1. Do IASB members have any comments on the feedback summarised in this paper?