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## IASB<sup>®</sup> meeting

Date	<b>February 2024</b>
Project	<b>Post-implementation Review of IFRS 9—Impairment</b>
Topic	<b>Cover note</b>
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## Overview of the session

1. At its [November 2023 meeting](#), the IASB discussed a high level summary of the feedback to the [Request for Information Post-implementation Review of IFRS 9—Impairment](#) (the RFI) and plan for phase 2 of the post-implementation review.
2. At this meeting, the IASB commences the deliberations of the RFI feedback, starting with topic-specific papers in two overarching areas of the impairment requirements—the general approach to recognition of the expected credit loss, and determining significant increases in credit risk (SICR). To facilitate the IASB's assessment of what, if any, action it might take in response to the feedback, the agenda papers for this meeting provide more detail from the comment letters compared to what was discussed in November 2023, along with staff analysis and recommendations.

## Agenda Papers for this meeting

3. At this meeting, the IASB will discuss the following papers:
  - (a) feedback analysis on the general approach to recognition of ECL (Agenda Paper 27A);
  - (b) feedback analysis on determining SICR (Agenda Paper 27B); and
  - (c) literature review update (Agenda Paper 27C).

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4. In these agenda papers, we use the following terms to broadly indicate the portion of respondents that reported a particular view:
    - (a) almost all—all except a very small minority;
    - (b) most—large majority, with more than a few exceptions;
    - (c) many—small majority or large minority;
    - (d) some—small minority, but more than a few; and
    - (e) a few—a very small minority.
  
  5. Agenda Papers 27A and 27B ask the IASB members whether they agree with staff recommendations that the IASB does not take further action in response to the feedback on IFRS 9 requirements about the general approach and SICR.

## PIR framework

6. The description of [IASB post-implementation reviews](#) sets out a framework for deciding whether and when to take further action in response to the feedback on a post-implementation review (PIR). That framework specifies that:
  - (a) the IASB assesses whether the findings from the PIR provide evidence that:
    - (i) there are fundamental questions about the clarity and suitability of the new requirements; or
    - (ii) the benefits to users of financial statements of the information arising from applying the requirements are significantly lower than expected (for example, there is significant diversity in application); or
    - (iii) the costs of applying the new requirements and auditing and enforcing their application are significantly greater than expected.
  - (b) if the findings provide evidence that any of the characteristics described in (a) are present, the IASB determines the prioritisation of the matter as high, medium or low based on the extent to which evidence indicates:
    - (i) the matter has substantial consequences;

- (ii) the matter is pervasive;
  - (iii) the matter can be addressed by the IASB or the IFRS Interpretations Committee; and
  - (iv) the benefits of an action are expected to outweigh the costs. To determine this, the IASB considers the extent of disruption and operational costs from change and importance of the matter to users.
7. We have considered this framework in developing the staff recommendations of whether the IASB should take any action in response to the feedback analysed in Agenda Papers 27A and 27B of this meeting.

### Project plan and next steps

Topics for discussion	Expected Timing <sup>1</sup>
1. General approach to recognition of ECL	To be discussed at this meeting
2. Significant increases in credit risk	To be discussed at this meeting
3. Measuring ECL	March/April 2024
4. Purchased or originated credit-impaired	April 2024
5. Interaction between impairment requirements in IFRS 9 and other IFRS Accounting requirements	Q2 2024
6. Credit risk disclosures	Q2 2024
7. Other matters	Q2 2024

8. We plan to finalise the staff analysis and recommendations on this PIR by the second quarter of 2024. The IASB will then publish a project report and feedback statement.

<sup>1</sup> The timing of papers on specific topics may change depending on the staff's further analysis of the feedback and the timing of discussions with the IASB's consultative bodies.