

# Third Agenda Consultation

## *Overview of the Request for Information*

July 2021

# Agenda

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Introduction

Strategic direction and balance of the Board's activities

Criteria for assessing the priority of financial reporting issues

Financial reporting issues that could be added to the work plan

Q&A

# Before we start

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To ask a question during the webinar, type it into the designated text box on your screen and click 'submit'. You can submit questions at any time during the presentation.



Download this slide deck from 'Event Resources' box on your left side of the screen.

The views expressed are those of the presenters, not necessarily those of the International Accounting Standards Board (Board) or the IFRS Foundation.

A grayscale world map is the background for the slide. Overlaid on the map are several thick, light gray curved lines that sweep across the continents. Additionally, there are several dotted lines that form a grid-like pattern across the map, intersecting the curved lines.

# Introduction

# Setting the scene

## Third Agenda Consultation

### Undertaken by the Board

- To seek feedback that helps the Board prioritise activities within the **current scope of the Board's work**
- The current scope of the Board's work is financial statements and management commentary for profit-oriented companies
- Final decisions to be made by Q2 2022

## Strategy Review

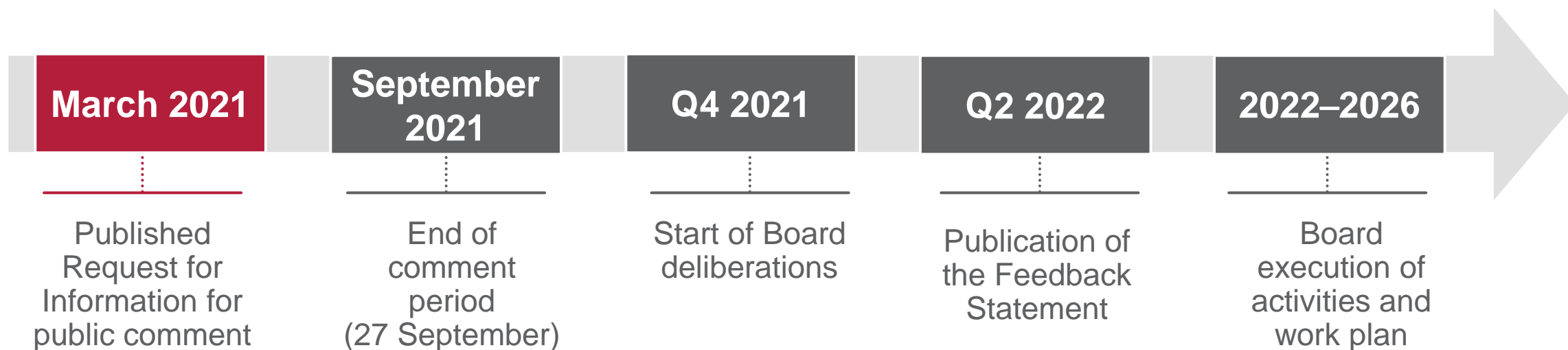
### Undertaken by the IFRS Foundation Trustees

- To explore a potential **expansion of the Foundation's role** through the creation of a new Board to set sustainability reporting Standards
- Final decisions to be made before the November 2021 United Nations COP26 conference

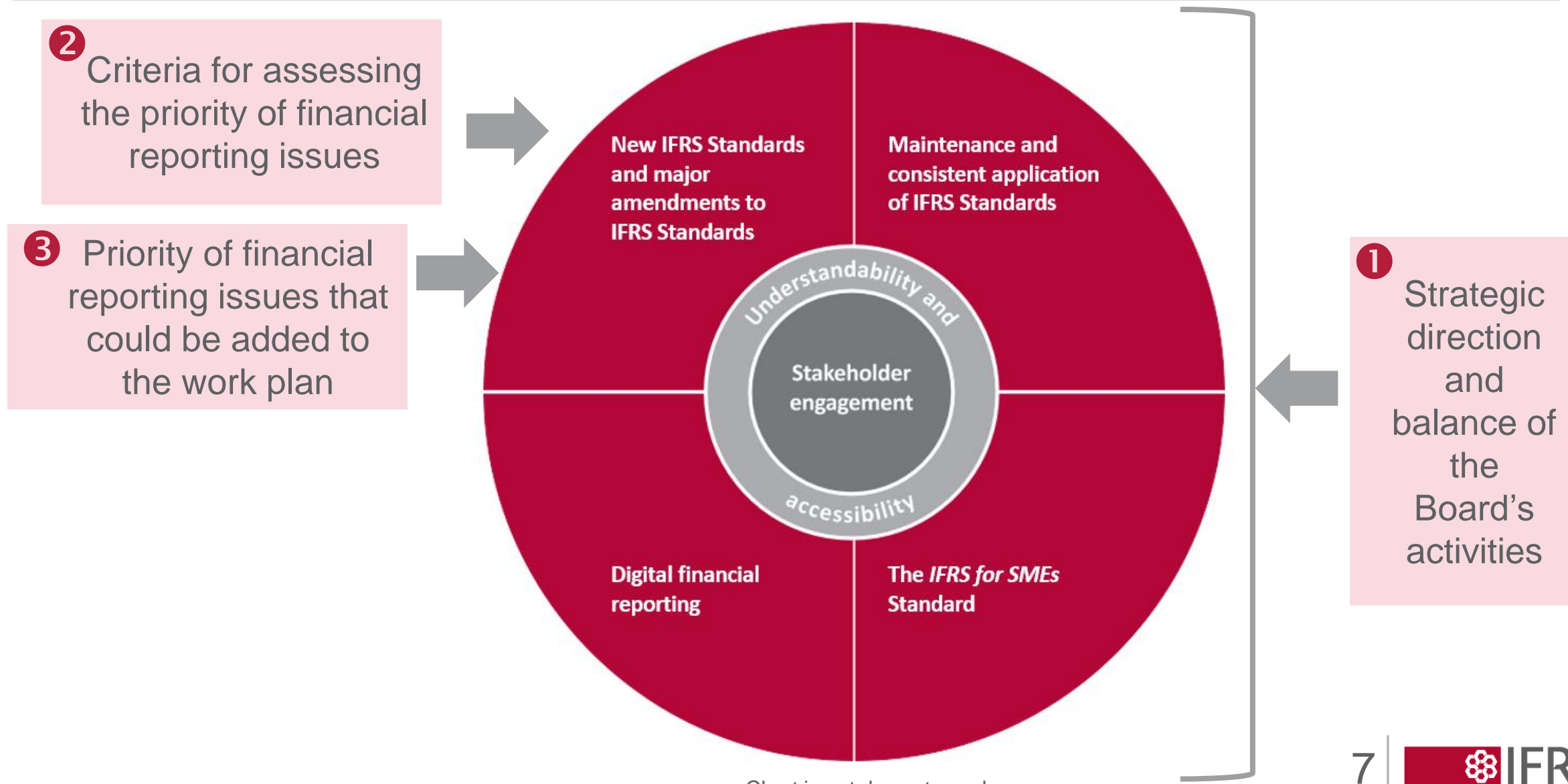
Trustees' decisions that affect the scope of the Board's work will be considered in finalising the Board's priorities and work plan


# The IASB's agenda consultation

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# Overview of the IASB's agenda consultation





① Strategic direction and  
balance of the Board's  
activities



# Overview

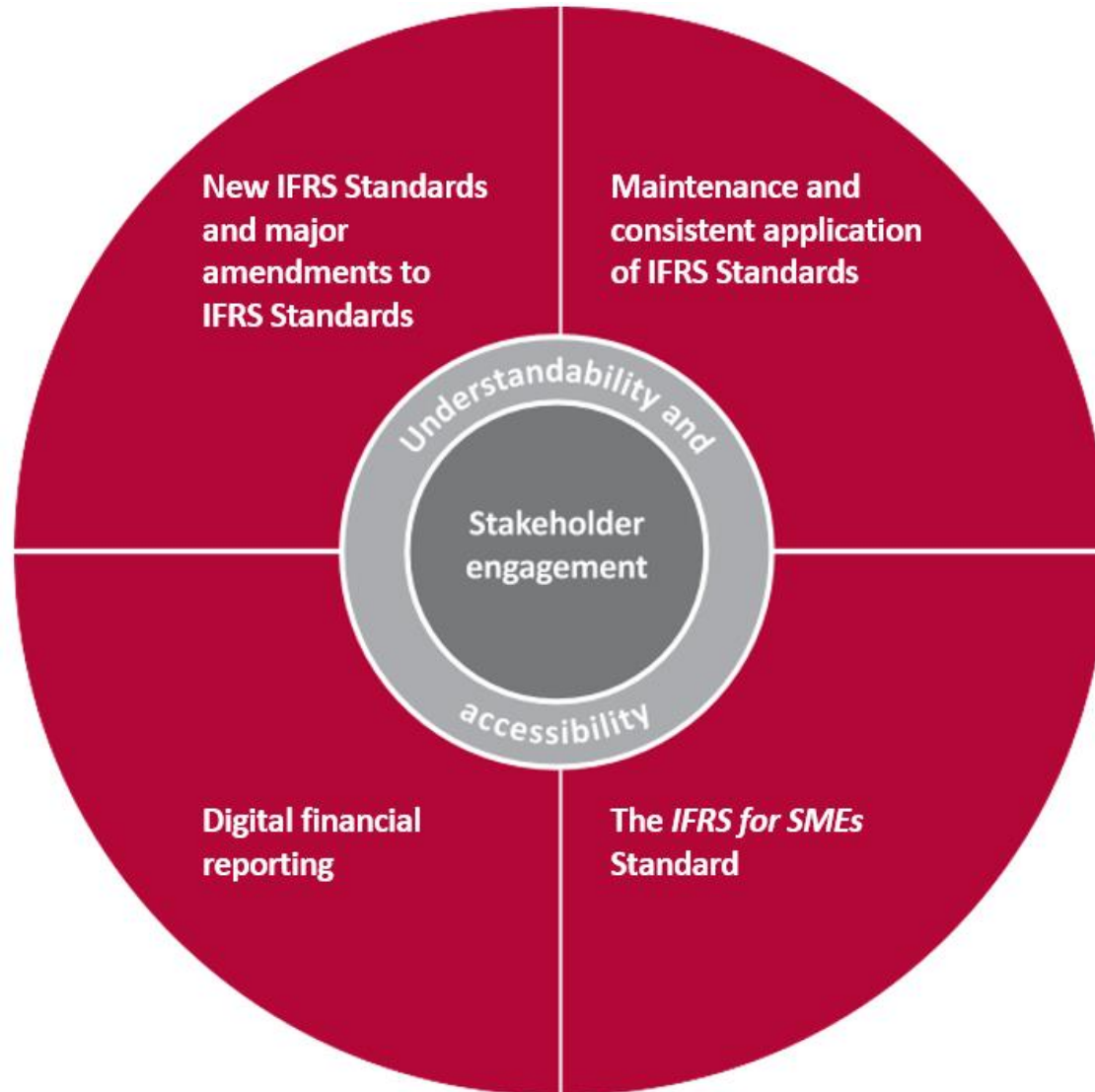


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## Current level of focus on each activity

New IFRS Standards and major amendments to IFRS Standards	40%–45%
Maintenance and consistent application of IFRS Standards	15%–20%
The <i>IFRS for SMEs</i> Standard	5%
Digital financial reporting	5%
Understandability and accessibility	5%
Stakeholder engagement	20%–25%

# New IFRS Standards & major amendments to IFRS Standards

**Objective:** Research financial reporting issues and, if appropriate, develop major new financial reporting requirements

## What the Board currently does

- research and standard-setting projects
- required post-implementation reviews

## What more the Board could do (examples)

- take on new projects to address financial reporting issues (slides 23–28)

# Maintenance and consistent application

**Objective:** Help stakeholders obtain a common understanding of financial reporting requirements

## What the Board currently does\*

- monitor consistent application of IFRS Standards
- narrow-scope amendments and interpretations
- Committee agenda decisions
- publish educational materials
- support regulators and national standard-setters in their role to support consistent application

## What more the Board could do (examples)

- work more with stakeholders to identify application challenges
- address any application challenges through:
  - ✓ agenda decisions, narrow-scope amendments or interpretations
  - ✓ educational materials and capacity-building efforts for emerging economies and new adopters

\* Together with the Interpretations Committee

# The *IFRS for SMEs* Standard

**Objective:** Provide financial reporting requirements tailored for companies that do not have public accountability (SMEs)

## What the Board currently does\*

- periodic reviews of the Standard, and if necessary, amendments to the Standard
- publish educational materials

## What more the Board could do (examples)

- work with stakeholders to support consistent application of the Standard
- provide more educational materials, including for micro-sized companies that are not publicly accountable
- work with national standard-setters and others to increase global adoption of the Standard

\* Together with the SME Implementation Group

# Digital financial reporting

**Objective:** Facilitate the digital consumption of financial information

## What the Board currently does

- updates to the IFRS Taxonomy
- develop presentation and disclosure requirements that are technology neutral
- publish educational materials
- participate in broader discussions about the digital ecosystem

## What more the Board could do (examples)

- improve the IFRS Taxonomy to better meet investor needs
- explore a technology focused approach to developing requirements
- work jointly with external partners in the digital ecosystem and influence elements outside the Board's control

# Understandability and accessibility

**Objective:** Improve the understandability and accessibility of our financial reporting requirements

## What the Board currently does

- **Understandability**
  - ✓ reduce unnecessary complexity for companies, while improving information quality for investors
  - ✓ draft clear Standards
- **Accessibility**
  - ✓ publish annotated Standards with cross-references and semi-annual compilations of agenda decisions
  - ✓ provide tools for easier navigation of the electronic version of the Standards

## What more the Board could do (examples)

- **Understandability**
  - ✓ comprehensive assessment of possible areas of unnecessary complexity
  - ✓ projects to reduce unnecessary complexity (in both existing and new Standards)
- **Accessibility**
  - ✓ improve technology and other tools to help stakeholders tailor content to their needs

# Stakeholder engagement

**Objective:** Obtain views to support the development of high-quality financial reporting requirements and promote acceptance of the Standards

## What the Board currently does\*

- general and project-specific meetings with stakeholders
- develop tailored materials to support various meetings with stakeholders
- engagement through comment letters received in response to formal consultation documents

## What more the Board could do (examples)

- increase engagement with a broader range of stakeholders
- increase engagement on formal consultations using more digital-friendly approaches such as surveys
- provide more investor-focused educational materials and initiatives

# Polling time



An abstract graphic on the left side of the slide. It features a central red circle surrounded by several concentric rings. The rings are composed of different styles: a solid blue ring, a solid orange ring, a dashed white ring, and a dotted white ring. There are also several thin, light gray lines radiating from the center, some of which are solid and some are dashed. The overall composition is geometric and modern.

# Polling time

# Questions in the Request for Information

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## **Strategic direction and balance of the Board's activities**

We are seeking feedback on the overall balance of the Board's six main activities:

- Should the Board increase, leave unchanged or decrease its current level of focus for each main activity? Why or why not? You can also specify the types of work within each activity that the Board should increase or decrease.
- Should the Board undertake any other activities within the current scope of its work?



② Criteria for assessing the priority of financial reporting issues

# Criteria for assessing the priority of financial reporting issues

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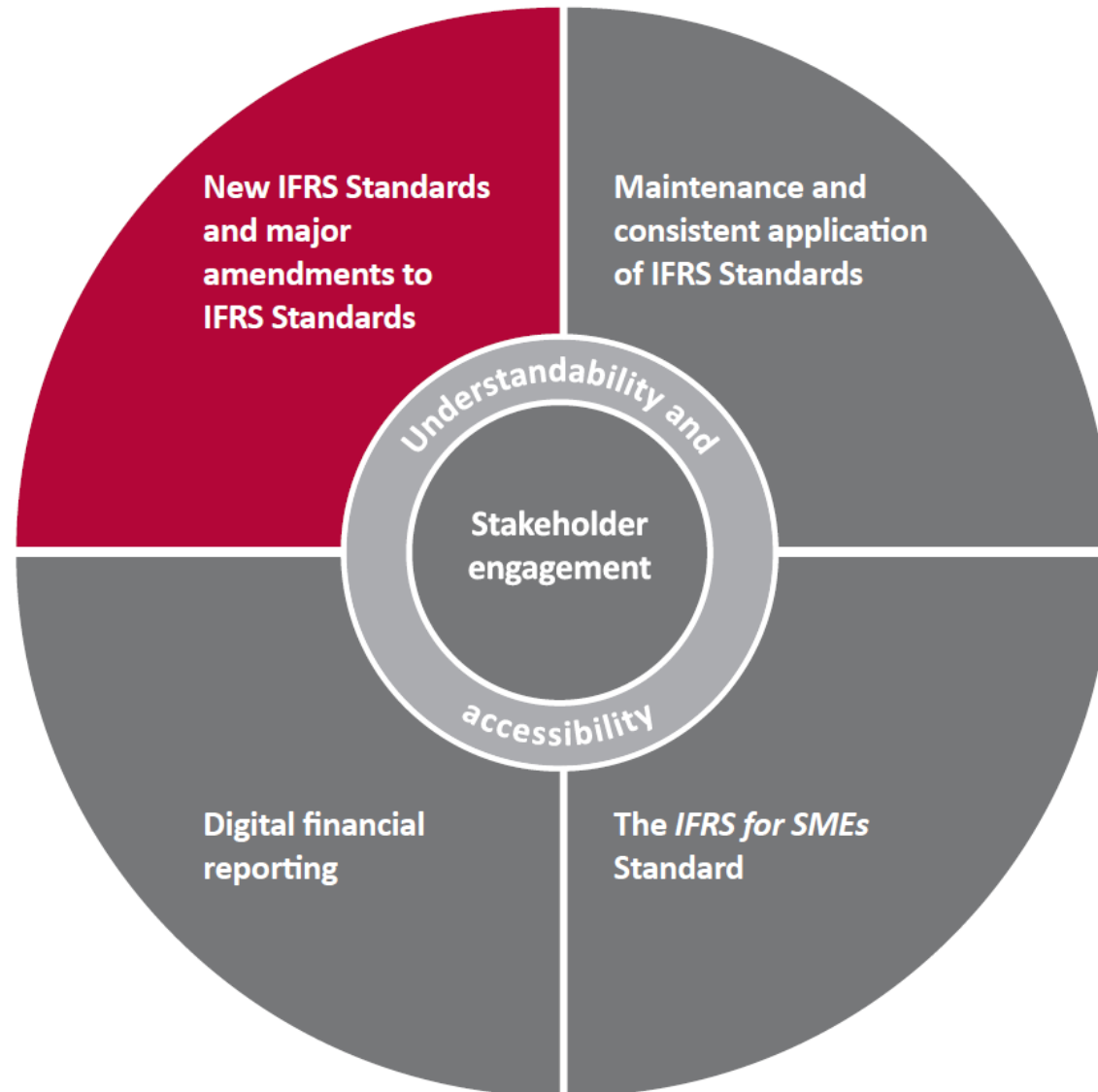


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# The proposed criteria

**Overarching consideration**—whether a potential project will meet investors' needs, while taking into account the costs of producing the information

the importance of the matter to **investors**

whether there is a **deficiency** in current reporting

the **type of companies** affected and jurisdictions where the matter is more prevalent

how **pervasive** the matter is

the potential project's **interaction with other projects**

the **complexity and feasibility** of the potential project and its solutions

the **capacity** of the Board and its stakeholders to progress the potential project

Keep in mind that the range and subjectivity of any specified criteria means that prioritising potential projects will require judgment—i.e. it cannot be an exact science


# Questions in the Request for Information

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## Criteria for assessing the priority of financial reporting issues that could be added to the Board's work plan

- Do you think the Board has identified the right criteria to use? Why or why not?
- Should the Board consider any other criteria? If so, what additional criteria should be considered and why?



③ Financial reporting issues that could be added to the work plan

# Priority of financial reporting issues

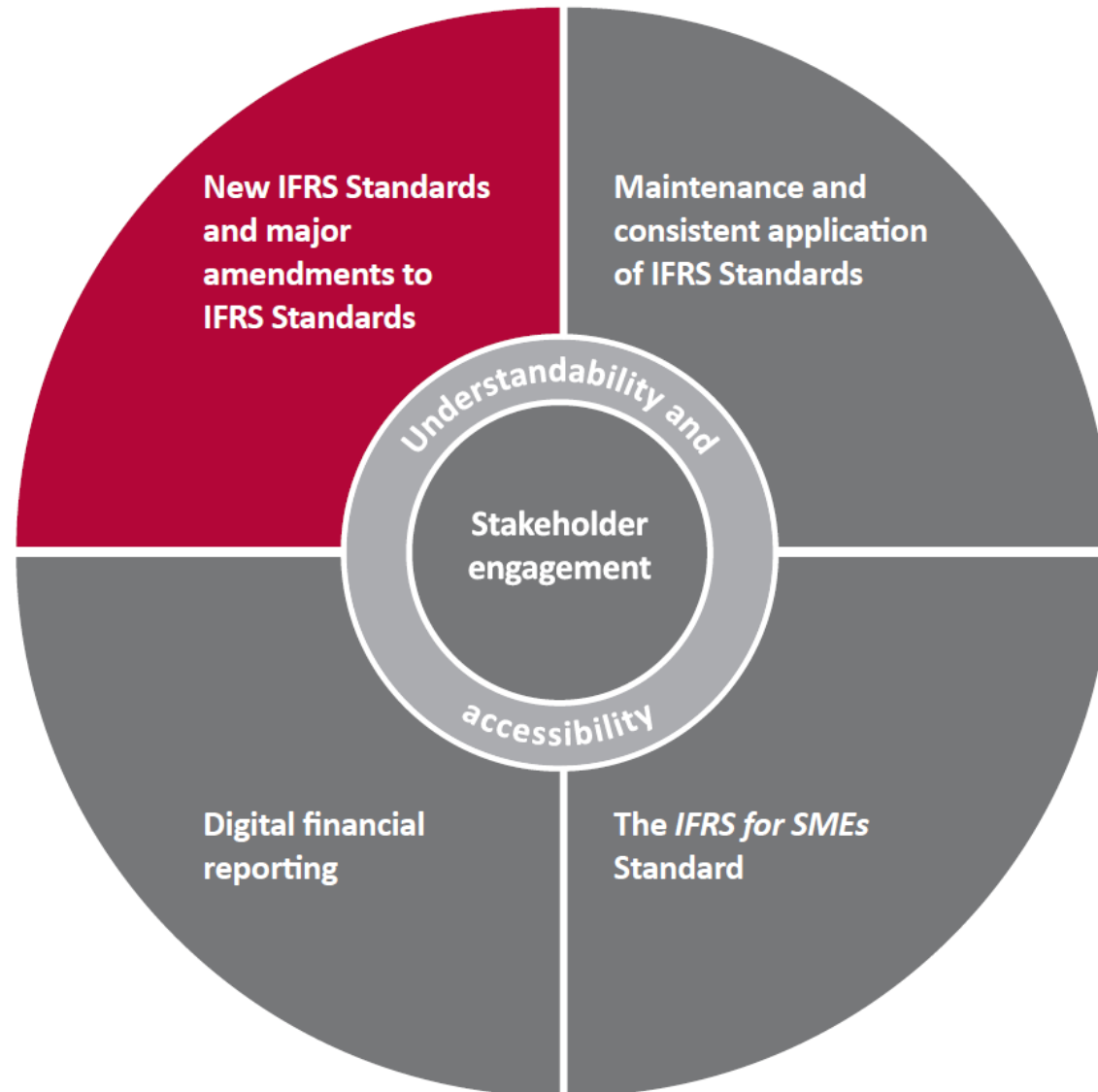


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# Work plan priorities for 2022–2026

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## Continue projects already on the work plan

- Stakeholders have previously identified them as priorities
- Re-prioritising could lead to inefficient starts and stops

## Conduct required post-implementation reviews

- IFRS 10, 11 and 12
- IFRS 9
- IFRS 15
- IFRS 16

## Undertake any time-sensitive projects

- Urgent projects that may arise after this consultation
- For example, the IBOR Reform projects that arose after the 2015 Agenda Consultation

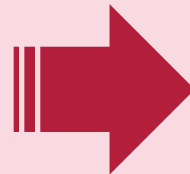
## Add new projects to the work plan

- The Board expects to add 2-3 large projects, or 4-5 medium-sized projects, or 7-8 small projects, if the Board continues to spend 40%-45% of its resources on this activity

# New financial reporting issues

## Board's approach

Conducted outreach to identify potential new projects to describe in the Request for Information



**Provide a common understanding of the issues that could be addressed to focus stakeholder feedback**



- The descriptions include an identification of the different types of work the Board could undertake on each potential project
- The list of potential projects is not a draft work plan for the Board
- Stakeholders can suggest other financial reporting issues

# Projects described in the Request for Information

Described projects*				
Borrowing costs	Climate-related risks	Commodity transactions	Cryptocurrencies and related transactions	Discontinued operations and disposal groups
Discount rates	Employee benefits	Expenses (Inventory and cost of sales)	Foreign currencies	Going concern
Government grants	Income taxes	Inflation	Intangible assets	Interim financial reporting
Negative interest rates	Operating segments	Other comprehensive income	Pollutant pricing mechanisms	Separate financial statements
Statement of cash flows and related matters			Variable and contingent consideration	

\* You can read the description of a potential project by clicking on the project title.

# Questions in the Request for Information

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## Financial reporting issues that could be added to the Board's work plan

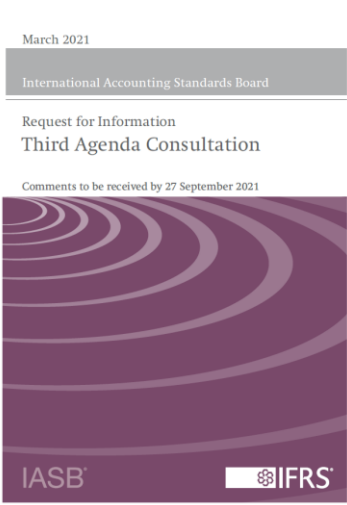
- What priority would you give each of the potential projects described in the Request for Information—high, medium or low—and why?
- Should the Board add any other financial reporting issues to its work plan for 2022 to 2026?



## Other comments

- Do you have any other comments on the Board's activities and work plan?

# Published materials



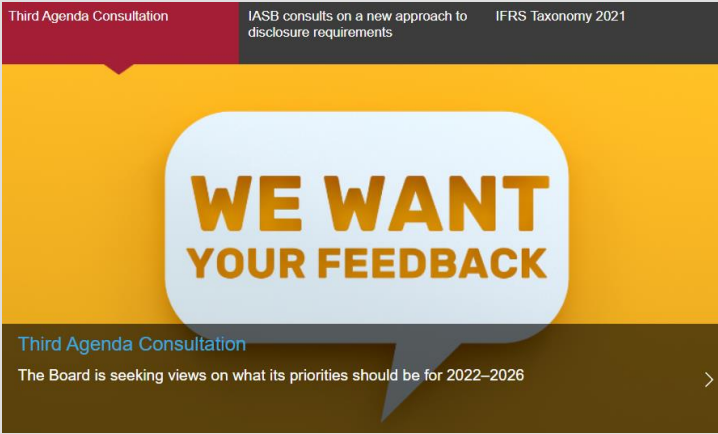
March 2021  
International Accounting Standards Board

## Request for Information Third Agenda Consultation

Comments to be received by 27 September 2021

IASB IFRS

[Request for Information](#)




Third Agenda Consultation IASB consults on a new approach to disclosure requirements IFRS Taxonomy 2021

# WE WANT YOUR FEEDBACK

Third Agenda Consultation  
The Board is seeking views on what its priorities should be for 2022–2026

[Press release](#)



March 2021  
Investor Perspectives

## Third Agenda Consultation— an overview

Request for Information published by the International Accounting Standards Board

### The International Accounting Standards Board's Agenda Consultation—An Opportunity for Investors to Weigh In

Zach Gatt  
Zach Gatt, a member of the International Accounting Standards Board (IASB), urges investors to lend their voice to the Board's Agenda Consultation on its corporate work plan.

The Board is asking investors to provide feedback on its Third Agenda Consultation in order to assist in the Board's work from 2022 to 2026. The Board would like to hear from investors on the strategic direction and balance of its activities—on the things that most matter to them, and on the things that the IASB should spend less time on. The Board also has a number of other activities, such as supporting the implementation of the Standards, that the Board would like the investors to comment on. The Board's criteria for making progress on its work plan and which financial reporting issues the Board could add to that plan. It is essential that investors provide feedback to inform the Board's work.

Investors are the central customers for the output of IFRS Standards—comparable financial statements. This brief publication highlights the vital role that investors can play in shaping the work of the Board. The Agenda Consultation is stakeholders' best opportunity to get forward financial reporting issues for the Board to consider. The Board expects to have limited capacity to add new projects to its plan, so it's essential that investors make their issues and priorities known. Feedback does not need to be written in technical language, so do not let terminology prevent you from responding.

Find out more  
The Board recently published a Request for Information on its Third Agenda Consultation. You can find the supporting documents for the consultation on our website here.

Send us your views  
The consultation period ends on 27 September 2021. Investors can submit a comment letter (up to 1000 words), or you can also complete a survey, brief letter, that should take 10-15 minutes depending on the level of detail in your responses.

IASB IFRS

[Videos and articles](#)

## How to comment

- Submit a comment letter:
  - ✓ Online at: <https://www.ifrs.org/projects/open-for-comment/>
  - ✓ By email to: [commentletters@ifrs.org](mailto:commentletters@ifrs.org)
- Complete a survey: <https://ecv.microsoft.com/sDvxcZ9hrt>

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Questions?

# Find us online

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