



April 2016

EFRAG Update

The EFRAG Update is published on a monthly basis to inform constituents about due process publications, public technical discussions held and decisions taken during that month.

April Publications

Draft Endorsement Advices

On 11 April, EFRAG published its draft endorsement advice on *Disclosure Initiative – Amendment to IAS 7*. For more details, please see the [EFRAG website](#).

On 11 April, EFRAG published its draft endorsement advice on *Deferred Tax Assets for Unrealised Losses – Amendment to IAS 12*. For more details, please see the [EFRAG website](#).

EFRAG's proactive work on Measurement

On 6 April, EFRAG published a paper related to the Measurement Chapter of the IFRS Conceptual Framework. The paper contains detailed recommendations as to how the Exposure Draft could easily be expanded to provide the necessary guidance.

For more details, please see the [EFRAG website](#).

April 2016 meetings and conference calls

This edition of the EFRAG Update contains a summary of the meeting held in April by the EFRAG Technical Expert Group (EFRAG TEG).

The EFRAG Board did not meet in April.

EFRAG Board – April written procedures

The EFRAG Board approved the following document, using written procedures:

- EFRAG draft endorsement advice on the IASB Publication *Disclosure Initiative – Amendments to IAS 7*.
- EFRAG draft endorsement advice on the IASB Publication *Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12*.

EFRAG Board – expected May written procedures

During May, the EFRAG Board is expected to approve the following document using written procedures:

- EFRAG draft endorsement advice on the IASB's Publication *Clarifications to IFRS 15 Revenue from Contracts with Customer*

Detailed meeting reports

EFRAG TEG meeting on 28 - 29 April

At its meeting on 28 - 29 April, EFRAG TEG discussed:

- IASB Publication *Clarifications to IFRS 15 Revenue from Contracts with Customers*
- IASB Research Project *Pollutant Pricing Mechanisms*
- IASB Research Project *Primary Financial Statements*
- IFRS 16 *Leases*
- IASB ED/2015/11 *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*
- IASB Project *Insurance Contracts*
- IFRS Interpretations Committee Project *Measurement of Long-term Interests in Associates and Joint Ventures*
- IASB Research Project *Financial Instruments with Characteristics of Equity*
- EFRAG's proactive work *The Statement of Cash Flows: Issues for Financial Institutions*

IASB Publication Clarifications to IFRS 15 Revenue from Contracts with Customers

EFRAG TEG agreed to recommend to the EFRAG Board a draft endorsement advice and invitation to comment.

IASB Research Project Pollutant Pricing Mechanisms

EFRAG TEG was provided with an educational session on the main characteristics of the European Union Emissions Trading System. The presentation was delivered by the European Commission Directorate-General for Climate Action. No decisions were taken at the meeting.

IASB Research Project *Primary Financial Statements*

EFRAG TEG was provided with an update on the latest developments on the IASB research project, including the feedback the IASB received within in its 2015 Agenda Consultation. No decisions were taken at the meeting.

IFRS 16 *Leases*

EFRAG TEG discussed the initial drafting of some sections of the anticipated draft endorsement advice assessing whether IFRS 16 would meet the requirements in the IAS Regulation for adoption in the EU. In particular, EFRAG TEG discussed the drafting of:

- Appendix 1 describing the changes introduced by IFRS 16;
- Appendix 2 providing an assessment of IFRS 16 against the technical criteria for endorsement contained in the IAS Regulation, and
- A comparison of IFRS 16 with IAS 17 *Leases* and consideration of whether European entities would be at a competitive disadvantage compared to entities applying US GAAP.

No decisions were taken at the meeting.

IASB ED/2015/11 *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*

EFRAG TEG was provided with an update of the latest deliberations of the IASB on this topic.

No decisions were taken at the meeting.

IASB Project *Insurance Contracts*

EFRAG TEG was provided with an educational session on base-case application examples of the 'General Model' for insurance contracts accounting and the 'Variable Fee approach' relating to participating contracts. No decisions were taken at the meeting.

IFRS Interpretations Committee Project *Measurement of Long-term Interests in Associates and Joint Ventures*

EFRAG TEG discussed an issue raised with the IFRS Interpretations Committee about whether an entity assesses long-term interests in associates and joint ventures for impairment by applying the requirements in IAS 28 *Investments in Associates and Joint Ventures*, those in IFRS 9 *Financial Instruments*, or a combination of the requirements in both Standards. No decisions were taken at the meeting.

IASB Research Project *Financial Instruments with Characteristics of Equity*

EFRAG TEG was provided with an update on recent developments in the IASB research project, particularly on the use of sub-classes of financial liabilities and equity as way to provide additional information about the different features of financial instruments with characteristics of equity.

No decisions were taken at the meeting.

EFRAG's proactive work The Statement of Cash Flows: Issues for Financial Institutions

EFRAG TEG was informed about the feedback obtained from constituents on EFRAG's Short Discussion Series paper *The Statement of Cash Flows: Issues for Financial Institutions*.

EFRAG TEG approved the feedback statement for publication and made recommendations on the way forward with the EFRAG research project.