



EFRAG UPDATE

January 2018

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.

PUBLICATIONS

Draft Endorsement Advice

On 26 January, EFRAG published a Draft Endorsement Advice on the IASB's Publication *Annual Improvements to IFRS Standards 2015-2017 Cycle*. Comments are requested by 26 February 2018.

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

Final Comment Letters and Feedback Statements

On 8 January, EFRAG published its Final Comment Letter and Feedback Statement on the IASB's Exposure Draft *ED/2017/5 Accounting Policies and Accounting Estimates - Proposed amendments to IAS 8*.

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

On 23 January, EFRAG published its Final Comment Letter and Feedback Statement on the IASB's Exposure Draft *ED/2017/6 Definition of Material - Proposed amendments to IAS 1 and IAS 8*.

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

Letter to the European Commission

On 17 January, EFRAG issued a letter to the European Commission to report on the findings of the first phase (the assessment phase) of its Research Project *Equity Instruments - Impairment and Recycling*. The assessment phase investigated the significance of investments in equity instruments classified as available for sale in accordance with IAS 39 and the possible effects of the new requirements in IFRS 9 *Financial Instruments* on long-term investment.

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



OPEN CONSULTATIONS

Title and description	Closing date
EFRAG's Discussion Paper Goodwill Impairment Test: can it be improved?	31 January 2018 (extended)
EFRAG's Draft Endorsement Advice on the IASB's Publication Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	16 February 2018
Draft Endorsement Advice on the IASB's Publication <i>Annual Improvements to IFRS Standards 2015-2017 Cycle</i>	26 February 2018

For more information please see [EFRAG's consultations page](#).

EFRAG BOARD

Conference call

The EFRAG Board held a [conference call on Tuesday 16 January 2018](#) and discussed the following topics:

IFRS 17 Insurance Contracts

The EFRAG Board considered an update on the progress of the project to develop a draft endorsement advice on IFRS 17. No decisions were taken at the meeting.

EFRAG Research Project *Equity Instruments - Impairment and Recycling*

The EFRAG Board discussed the final version of the letter to the European Commission to report on the findings of the first phase (the assessment phase) of its Research Project *Equity Instruments - Impairment and Recycling*. The EFRAG Board approved the letter, after making minor drafting improvements, for sending to the European Commission.

January 2018 written procedures

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

- EFRAG's final comment letter on the IASB's Exposure Draft *ED/2017/5 Accounting Policies and Accounting Estimates - Proposed amendments to IAS 8*;
- EFRAG's final comment letter on the IASB's Exposure Draft *ED/2017/6 Definition of Material - Proposed amendments to IAS 1 and IAS 8*; and
- EFRAG's draft endorsement advice on the IASB's Publication *Annual Improvements to IFRS Standards 2015-2017 Cycle*.



Expected February 2018 written procedures

The EFRAG Board is not expected to approve any documents using written procedures in February.

EFRAG TECHNICAL EXPERT GROUP (TEG)

Meeting

EFRAG TEG [met on 17- 18 January 2018](#) and discussed the following topics:

IFRS 17 Insurance Contracts

EFRAG TEG discussed draft consultation papers relating to the release of the CSM and the level of aggregation. EFRAG TEG further discussed issues relating to risk mitigation. Finally, EFRAG TEG identified questions to EFRAG IAWG members relating to the industry practice of sharing of risks. No decisions were taken at the meeting.

IASB Publication *Annual Improvements to IFRS Standards 2015-2017 Cycle*

EFRAG TEG agreed to recommend a positive draft endorsement advice to the EFRAG Board, subject to a minor drafting amendment.

IASB Exposure Draft *ED/2017/6 Definition of Material (proposed amendments to IAS 1 and IAS 8)*

EFRAG TEG discussed the feedback received in response to its draft comment letter and agreed to recommend a final comment letter to the EFRAG Board that is consistent with the preliminary views in the draft comment letter but reflects minor drafting amendments.

EFRAG TEG also approved a feedback statement summarising the input received in response to its consultation and how the feedback had been considered in finalising the comment letter.

EFRAG Research Project *Equity Instruments - Impairment and Recycling*

EFRAG TEG discussed the draft of a consultation paper on approaches to impairment and recycling, which will be used to collect constituents' input before finalising EFRAG's advice to the European Commission. EFRAG TEG recommended various changes to the draft prior to its publication. The EFRAG Board will consider a revised version of the consultation paper at its February meeting.

EFRAG TEG recommended that the consultation paper should include a preliminary view that reintroducing recycling would improve financial reporting and that a recycling approach should be accompanied by the reintroduction of an impairment model. However, EFRAG TEG recommended that the paper should not express any preference between the two impairment models that it describes. It was also agreed that the consultation paper includes further analysis of whether additional presentation and disclosure requirements could provide a basis for recycling if an impairment model could not be developed.



EFRAG Research activities

EFRAG TEG considered and agreed to recommend to the EFRAG Board a shortlist of suggested research topics to add to EFRAG's Research agenda. EFRAG plans to issue a public consultation once the EFRAG Board has agreed on the topics and ask National Standard Setters whether there are areas of common interest that could be developed in partnership with EFRAG.