



EFRAG UPDATE

AUGUST 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

Final Comment Letter and Feedback Statement

On 23 August, EFRAG published its comment letter in response to the IASB's ED/2018/1 *Accounting Policy Changes (Proposed amendments to IAS 8)* and an accompanying feedback statement summarising the main comments received by EFRAG on its draft comment letter and explaining how those comments were considered in the final comment letter.

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

On 20 August, EFRAG published the Feedback Statement summarising the input received on its 2018 Research Agenda consultation.

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

Draft Comment Letter

On 28 August, EFRAG published its draft comment letter in response to the IASB's Discussion Paper DP/2018/1 *Financial Instruments with Characteristics of Equity*. Comments are requested by 3 December 2018, by close of business

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

Summary of Responses

On 29 August EFRAG published a summary of the responses received on its March 2018 EFRAG Discussion Paper *Equity Instruments - Impairment and Recycling*. EFRAG will consider the input in developing its final advice to the European Commission.

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

OPEN CONSULTATIONS

Title and description	Closing date
EFRAG's Draft Endorsement Advice on the IASB's publication <i>Amendments to References to the Conceptual Framework in IFRS Standards</i> .	14 September 2018
EFRAG's Draft Comment Letter on the IASB's Discussion Paper <i>DP/2018/1 Financial Instruments with Characteristics of Equity</i> .	3 December 2018

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



EFRAG BOARD

Meeting

The EFRAG Board met on [21 and 22 August](#) and discussed the following topics:

IFRS 17 Insurance Contracts

The EFRAG Board discussed aspects of IFRS 17 that have been identified by constituents and Board members as potential issues in the course of EFRAG's work to date in preparing a draft endorsement advice. The EFRAG Board decided to write to the Chairman of the IASB to highlight certain of those aspects and to consider a draft of the letter at its meeting on 3 September 2018.

IASB Exposure Draft ED/2018/1 Accounting Policy Changes (Proposed amendments to IAS 8)

The EFRAG Board approved the final EFRAG comment letter on the Exposure Draft *Accounting Policy Changes*.

IASB Research Project *Financial Instruments with Characteristics of Equity (FICE)*

The EFRAG Board approved the release of a draft comment letter for consultation.

The EFRAG Board suggested the planned Bulletin containing simple explanations of the contents of the Discussion Paper should be issued as early as possible so that it can be used during the planned outreach programme.

EFRAG Research Project *Equity Instruments – Impairment and Recycling*

The EFRAG Board considered the draft technical advice to the European Commission. The EFRAG Board decided to consult the European Commission on the next steps in the project before making decision on the technical advice.

August 2018 written procedures

The EFRAG Board has not approved any documents using written procedures in August.

Expected September 2018 written procedures

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



EFRAG TECHNICAL EXPERT GROUP (TEG)

[Webcast meeting](#)

At its webcast meeting on [8 August](#) EFRAG TEG discussed the following topics:

IFRS 17 *Insurance Contracts*

EFRAG TEG discussed the remaining issues raised by the insurance industry in relation to IFRS 17 (as a follow up of the July 25 meeting) and provided their views on updating the document for the EFRAG Board.

IASB Research Project *Financial Instruments with Characteristics of Equity (FICE)*

EFRAG TEG continued its discussion on EFRAG's draft comment letter (EFRAG DCL) to the IASB's Discussion Paper *Financial Instrument with Characteristics of Equity* and provided comments from section six onwards.

EFRAG TEG requested some clarifications on the definition of the transactions giving rise to the counter-intuitive effects on the income statement; suggested to focus on providing better information about different classes of equity through disclosures rather through an attribution mechanism and referred to some practical challenges when an entity ignores the interaction of legislation and regulation with contractual terms.

Members also highlighted the importance of EFRAG's future outreach activities.

EFRAG TEG agreed to recommend the EFRAG DCL to the EFRAG Board subject to minor drafting changes.