

This paper has been prepared by the EFRAG Secretariat for discussion at a public meeting of the EFRAG Board. The paper does not represent the official views of EFRAG or any individual member of the EFRAG Board or EFRAG TEG. The paper is made available to enable the public to follow the discussions in the meeting. Tentative decisions are made in public and reported in EFRAG Update. EFRAG positions as approved by the EFRAG Board are published as comment letters, discussion or position papers or in any other form considered appropriate in the circumstances.

## **Technical Work Plan June 2020 – November 2020**

### **Objective**

- 1 The objective of this session is for the EFRAG Board to conduct its regular review of the technical work plan and advise of any necessary changes.

### **Background**

- 2 In the past, the EFRAG Board requested that:
  - (a) an explanation be provided for any IASB implementation projects that are classified as significant; and
  - (b) the work plan be updated and presented for approval at every meeting.
- 3 Attachment 1 to this note contains the reasoning behind classifying IASB projects as significant.
- 4 At its June 2017 meeting, the EFRAG Board agreed that, as responses to IASB post-implementation reviews collate European views and do not include an EFRAG position, post-implementation review responses should be finalised by EFRAG TEG. IASB proposed post-implementation reviews have been included in the work plan for the convenience of EFRAG Board members, but no action is expected from the EFRAG Board.
- 5 At its meeting in September 2016, the EFRAG Board agreed that the classification of IASB research projects as significant or for processing by written procedure should be deferred until the significance of each project emerges.

### **Changes to the workplan since last EFRAG Board review**

- 6 The timeline of several IASB projects has changed due to the special COVID-19 related circumstances (supplementary IASB meeting as of April 17, Agenda Paper 32). In addition the IASB decided to delay the effective date of *Classification of Liabilities as Current or Non-Current* as a result of the pandemic (Agenda Paper 32A); and to issue an amendment to IFRS 16 *Leases* in response to changes in lease payments that have occurred or are expected to occur as a result of the pandemic (Agenda Paper 32B).
- 7 The summary of the results of the supplementary IASB meeting can be found under the following link [IFRS Suppl Meeting](#). The suggestions made by the staff were approved for all major projects. In addition a changed timeline for minor

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amendments were suggested and approved. The following table shows the changed timeline for major projects:

Consultation document	Original publication date	Revised publication date	Original comment deadline	Revised comment deadline	Discussion
<b>Published</b>					
Exposure Draft <i>Interest Rate Benchmark Reform—Phase 2</i>	Apr. 2020		May 2020		See paragraph 17
Exposure Draft <i>General Presentation and Disclosures</i>	Dec. 2019		Jun. 2020	Sept. 2020	See paragraph 18
Request for Information <i>Comprehensive Review of the IFRS for SMEs Standard</i>	Jan. 2020		Jul. 2020	Oct. 2020	See paragraph 18
Discussion Paper <i>Business Combinations—Disclosures, Goodwill and Impairment</i>	Mar. 2020		Sept. 2020	Dec. 2020	See paragraph 18
<b>Forthcoming</b>					
<b>Broad-based topics</b>					
Discussion Paper <i>Business Combinations under Common Control</i>	Jun. 2020	Sept. 2020	TBD		See paragraph 19(b)
Request for Information <i>Post-implementation Review of IFRS 10, 11 and 12</i>	Aug. 2020	Dec. 2020	TBD		See paragraph 19(a)
Exposure Draft <i>Management Commentary</i>	Dec. 2020		TBD		See paragraph 19(c)
Request for Information <i>2020 Agenda Consultation</i>	Sept. 2020	Mar. 2021	TBD		See paragraph 19(d)
Exposure Draft <i>Disclosure Initiative—Targeted Standards-Level of Review of Disclosures</i>	Sept. 2020	Mar. 2021	TBD		See paragraph 19(a)
<b>Targeted activities</b>					
Exposure Draft <i>Rate-regulated Activities</i>	Aug. 2020	Oct. 2020	Dec. 2020	TBD	See paragraph 19(a), 21

- 8 As mentioned above, the IASB decided to set up a project to amend IFRS 16 to specify how the seller-lessee applies the subsequent measurement requirements in IFRS 16 to the lease liability that arises in a sale and leaseback transaction. EFRAG is expected to approve the final endorsement advice, subject to wording changes, in the joint TEG and Board meeting on 26 May 2020.

### *IFRS 4 Amendment (Postponement of IFRS 9 effective date)*

- 9 The IASB is expected to issue the amendment the 25 June and European entities need to apply it starting by January 2021. Due to the time pressure on this component of the broader IFRS 17 amendment project activities (endorsement to be completed before the end of 2020), the EFRAG secretariat will seek approval from EFRAG TEG and EFRAG Board in June 2020, subject to wording changes, without waiting the issuance of the final amendments. The comment period will be shortened to one week only, in order to be able to approve the final endorsement advice at both TEG and Board level on 6 July.
- 10 The objective of this session is for the EFRAG Board to be informed about the considerations of the pandemic for the EFRAG workplan.
- 11 Attachment 2 to this note contains the draft technical work plan, based on the IASB's work plan at the time of preparing this paper (excluding the IFRS Taxonomy and the *IFRS for SMEs* projects) and the EFRAG research work plan. It also identifies the expected timing of written procedures.

### Questions for the EFRAG Board

- 12 Does the EFRAG Board have any comments on the technical work plan?
- 13 Does the EFRAG Board agrees to delegate to the EFRAG Secretariat the definition of the most appropriate accelerated process for the endorsement of the IASB Amendment *IBOR Phase 2* (including approval by written procedure, consultation period shortened up to 1 week, organization of a dedicated public webcast outreach event, approval of a DEA before the issuance of the final standard subject to wording changes)?

14	Does the EFRAG Board consider the BCUCC project of the IASB to be a significant project?
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## Attachment 1: Basis for classifying research projects or minor projects as significant

### *Financial Instruments with Characteristics of Equity*

- 15 Given the potential impact of this project, especially for financial institutions, the EFRAG Board decided that the EFRAG position on the IASB's Discussion Paper *Financial Instruments with Characteristics of Equity* should be **considered in a public meeting** rather than by written procedure. The Discussion Paper was issued in June 2018 and the EFRAG Board approved the final comment letter at its meeting in January 2019.

### *Primary Financial Statements*

- 16 At its meeting in April 2017, the EFRAG Board decided that the EFRAG comment letter on the IASB's *Primary Financial Statements* project should be **considered in a public meeting**. The *Primary Financial Statements* project is likely to lead to significant changes to the presentation of financial performance.
- 17 The EFRAG Board has approved a draft comment letter on the Exposure Draft of the new standard in the meeting on February 18. Feedback will be received until September 28 2020. The Board is regularly informed on the outreach activities.

### *Goodwill and Impairment*

- 18 The EFRAG Board decided to **consider this project in public meeting**, given the significant work undertaken by EFRAG in recent years.
- 19 The EFRAG Board was provided with an update on the development of the IASB's project at its meeting in December 2018 jointly with EFRAG TEG and in the meeting in December 2019. A Discussion Paper was issued in March 2020. The DCL by EFRAG Board was approved in the webcast meeting as of May 18 2020.

### *IBOR Reform and its Effects on Financial Reporting – Phase 2*

*The IASB has discussed at all the meetings took place between October 2019 and February 2020. The technical decisions are finalized. The ED was issued on April 9 2020 with a comment period ending on 25 May 2020. EFRAG TEG approved a Pre-Consultation Document ('PCD') on 26 March that was issued (subject only to TEG approval), on the basis of the IASB tentative decisions. The comment period for this PCD ended by 15 May, together with the comment period for EFRAG DCL, which was issued on April 23, 2020. The approval of the final comment letter is planned for the 26 May 2020. The IASB final amendments is expected to be issued in August 2020 and its application is needed by European entities in the preparation of their 2020 year-end reporting. Similarly to what has been done last year with Phase 1 of this project, an accelerated endorsement timetable is anticipated for this project. Business Combination under Common Control*

- 20 In 2016, the EFRAG Board agreed that the classification of IASB research projects as significant or for processing by written procedure should be deferred until the significance of each project emerges. The IASB is exploring ways to improve the reporting on combinations of businesses under common control. The IASB has completed its discussions of measurement approaches and disclosures and is preparing a discussion paper setting out its preliminary views on reporting these transactions. The IASB plans to publish the Discussion Paper in the second half of 2020. The issuance of EFRAG DCL is planned for end of October 2020. The Board should decide whether the project should be classified as significant.

**Attachment 2: Work plan June 2020 – November 2020**

**Legend**

**Bold** = EFRAG Board decision point      **DCL** = Draft comment letter  
**WP** = Written procedure                      **FCL** = Final comment letter  
**DP** = Discussion paper                        **DEA** = Draft endorsement advice  
**ED** = Exposure draft                          **FEA** = Final endorsement advice

Project (IASB next steps in brackets)	Most recent status	2020					
		Jun 16	Jul 16	Jul 28	Sept 10	Oct 8	Nov 17
<b>IASB SIGNIFICANT PROJECTS</b>							
Insurance Contracts (IFRS amendment Q2-2020)	ED DCL July 2019	ED FCL Sept 2019	Project update <b>FEA on IFRS 4/ IFRS 9</b>	<b>DEA</b>	<b>DEA</b>		
Rate-regulated Activities (ED expected H2 2020)	DP DCL Oct 2014	DP FCL Jan 2015		Project update			<b>DCL</b>
Disclosure initiative – Targeted Standards-level Review of Disclosures (ED expected H1 2021)							

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Project (IASB next steps in brackets)	Most recent status		2020					
			Jun 16	Jul 16	Jul 28	Sept 10	Oct 8	Nov 17
Dynamic Risk Management (Core model outreach discussion Q4 2020)	DP DCL July 2014	DP FCL Oct 2014		Project update				
Financial Instruments with Characteristics of Equity (Decide project direction H2 2020)	DP DCL Aug 2018	DP FCL Feb 2019						
Goodwill and Impairment (DP March 2020)	DP DCL May 2020						Project Update	
IBOR reform and its effects on financial reporting Phase 2 (ED expected Q2 2020)					DEA			
Primary financial statements (ED issued Dec 2019, ED feedback expected H1 2021)	ED DCL Feb 2020					Project Update		<b>Approve FCL on ED</b>  (decide whether an additional meeting before is necessary)
2020 Agenda consultation (Request for information expected H1 2021)								
<b>IASB PROJECTS BY WRITTEN PROCEDURE: Implementation</b>								

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Project (IASB next steps in brackets)	Most recent status		2020					
			Jun 16	Jul 16	Jul 28	Sept 10	Oct 8	Nov 17
Accounting policies and accounting estimates (amend IAS 8) (IFRS amendment expected Q4 2020)	ED DCL Sep 2017	ED FCL Jan 2018						<b>Approve DEA</b> (written procedure)
Accounting policy changes (amend IAS 8) (Decide project direction May 2020)	ED DCL Apr 2018	ED FCL Aug 2018						
Availability of a refund (amend IFRIC 14) (IFRS amendment rejected, decide project direction)	ED DCL July 2015	ED FCL Nov 2015						
Classification of liabilities as current or non-current (amend IAS 1) (IFRS amendment January 2020; ED to postpone application date to 2023)	ED DCL Mar 2015 ED DCL May 2020	ED FCL Jun 2015		<b>Approve DEA</b> (written procedure)				
Deferred tax related to assets and liabilities arising from a single transaction (amend IAS 12) (ED issued July 2019, Decide Project Direction)	ED DCL Sept 2019	ED FCL WP Nov 2019						

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Project (IASB next steps in brackets)	Most recent status		2020					
			Jun 16	Jul 16	Jul 28	Sept 10	Oct 8	Nov 17
Disclosure initiative – Accounting policies (ED issued August 2019, ED feedback discussed February 2020, IFRS amendment expected Q4 2020)	ED DCL Oct 2019	Dec 2019 FCL						
Management Commentary Practice Statement (ED expected Dec 2020)								Project Update
Onerous contracts - Costs of fulfilling a contract (amend IAS 37)	ED DCL Jan 2019	ED FCL Apr 2019	<b>Approve DEA</b> (written procedure)					
PPE Proceeds before Intended Use (amend IAS 16)	ED DCL July 2017	ED FCL Nov 2017		<b>Approve DEA</b> (written procedure)				
Provisions (Decide project direction)								
Subsidiaries that are SMEs (Discussion Paper or ED decision Q4 2020)								



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Project (IASB next steps in brackets)	Most recent status		2020						
			Jun 16	Jul 16	Jul 28	Sept 10	Oct 8	Nov 17	
Updating a reference to the Conceptual Framework (amend IFRS 3)	ED DCL June 2019	ED FCL Sep 2019	Approve DEA (written procedure)						
Lease Liability in a Sale and Leaseback (amend IFRS 16) (ED Q3 2020)									Approve DCL (written procedure)
Annual Improvements 2018-2020 Cycle	ED DCL June 2019	ED FCL August 2019							
• Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (amend IFRS 9)				Approve DEA (written procedure)					
• Lease Incentives (amend to illustrative example 13 accompanying IFRS 16)				Approve DEA (written procedure)					
• Subsidiary as a First-time Adopter (amend IFRS 1)				Approve DEA (written procedure)					

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Project (IASB next steps in brackets)	Most recent status		2020					
			Jun 16	Jul 16	Jul 28	Sept 10	Oct 8	Nov 17
<ul style="list-style-type: none"> <li>Taxation in Fair Value Measurements (amend IAS 41)</li> </ul>				Approve DEA (written procedure)				
<b>IASB PROJECTS: Research</b>								
Business Combinations Under Common Control (DP Sept 2020)							Approve DCL	
Extractive activities (Review research Q2 2020)								
Pension Benefits that Depend on Asset Returns (Review research H2 2020)								
<b>IASB Post-implementation reviews</b>								
Consolidation package: IFRS 10, IFRS 11, IFRS 12 (review research Q4 2020)					Project Update			
IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>								

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Project (IASB next steps in brackets)	Most recent status	2020						
		Jun 16	Jul 16	Jul 28	Sept 10	Oct 8	Nov 17	
<b>EFRAG RESEARCH PROJECTS</b>								
General update				Update			Update	
Better Information on Intangible Assets								
Crypto-assets			Approve DP					
Discounting with Current Interest Rates								
EFRAG Research Variable and Contingent Consideration								