



EFRAG

Europe's voice in corporate reporting

February 2024



EFRAG UPDATE

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

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EFRAG UPDATE

February 2024

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.

PASSING OF JOHAN VAN HELLEMAN, FORMER EFRAG TEG CHAIR

We are sad to learn that Johan van Helleman, first Chair of the EFRAG TEG, passed away.

We extend our heartfelt gratitude to Johan van Helleman, who served as the first EFRAG TEG Chair in 2001. His dedication and leadership played a pivotal role in advancing EFRAG's mission and growth during his tenure. Johan's contributions have left a lasting impact on our organisation, and we are deeply grateful for his unwavering commitment and hard work.

CALL FOR CANDIDATES

Internship Vacancy - Administrative Assistant

Join EFRAG as an administrative assistant intern and be part of our mission to build on and contribute to progress in corporate reporting!

The ideal start date for the position is 1 April 2024. We also welcome applications with a possible start date beyond that.

The deadline for applications is **15 March 2024**.

Download the job description [here](#).

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

Financial Reporting and Sustainability Reporting Internships

EFRAG is also recruiting financial reporting and sustainability reporting internships for periods of 6 months. EFRAG has a limited number of places left in Spring and has full opportunity from September 2024 onwards. Interests (CV and motivation letter including desired starting date) should be sent to rh@efrag.org.

EFRAG GOVERNANCE AND DUE PROCESS – ADMINISTRATIVE BOARD

Physical meeting 27 February 2024

The EFRAG Administrative Board held a physical meeting on [27 February 2024](#) and discussed due process matters in a public session. Members reviewed and discussed in a public session the yearly report to the EFRAG General Assembly on how the due process oversight had been carried out in 2023 and agreed on the text for submission to the EFRAG General Assembly in its meeting of 18 March 2024.

The EFRAG Administrative Board also received a report on the due process oversight activities including the formalisation of the financial reporting due process procedures and the expected updates for the sustainability reporting due process updates.

EFRAG JOINT FINANCIAL AND SUSTAINABILITY REPORTING BOARD (FRB AND SRB)

Physical meeting 28 February 2024

The EFRAG FRB and EFRAG SRB held a physical meeting on [28 February 2024](#) and discussed the following topics:

EFRAG Research Project *Connectivity between Financial and Sustainability Reporting*

Members received an update on the *Connectivity between Financial and Sustainability Reporting* project and discussed the conceptual scene setting content and the approach for the development of illustrations/examples of connectivity for the project's forthcoming Discussion Paper. Members also approved the publication of the conceptual scene-setting content, which will combine contents of the papers discussed at this meeting, as an interim deliverable.

Integration in reporting - ISSB agenda consultation

Members were updated on the feedback to the ISSB's agenda consultation and specifically regarding a potential project on *Integration in Reporting* and its interrelationship with the *Management Commentary* project of the IASB. An overview of the follow-up discussions in the joint IASB-ISSB and Integrated Reporting and Connectivity Council January meetings was also provided. It was

clarified that the ISSB has not yet discussed the rest of the topics included in its agenda consultation.

No decisions were taken at the meeting.

Materiality Assessment Implementation Guidance (MAIG)

Members of the EFRAG FRB had the opportunity to share their feedback on the financial materiality - related content of the draft MAIG that has been released for public feedback (22 December 2023 - 2 February 2024). Members highlighted the necessity of Implementation Guidance and underscored the importance of examples.

No decisions were taken at the meeting.

IASB project - *Climate-related and Other Uncertainties in the Financial Statements*

Members were provided with an overview of actions taken to date by the IASB. Members discussed and welcomed the November 2023 IFRIC tentative agenda decision on net zero commitments, they considered that sustainability reporting is better placed to include information on these commitments. A suggestion was made for explicit requirements in IFRS to incorporate sustainability information by reference.

No decisions were taken at the meeting.

IASB project - *Power Purchase Agreements*

Members were provided with an overview of the status of the IASB's narrow-scope amendment project related to *Power Purchase Agreements*, both physical and virtual. Challenges faced as to their accounting treatment in light of IFRS 9 *Financial Instruments* and the IASB's proposed potential solutions were presented to the Boards. The IASB's Exposure Draft is expected in May 2024.

No decisions were taken at the meeting.

Next meeting

EFRAG FRB and EFRAG SRB will hold a next joint meeting on [26 June 2024](#).

EFRAG JOINT FINANCIAL AND SUSTAINABILITY REPORTING TECHNICAL EXPERT GROUP (FR AND SR TEG)

Hybrid meeting 15 February 2024

EFRAG FR TEG and EFRAG SR TEG held a hybrid joint meeting on [15 February 2024](#) and discussed the following topics:

EFRAG Research Project *Connectivity between Financial and Sustainability Reporting*

Members received an update on the *Connectivity between Financial and Sustainability Reporting* project and discussed the conceptual scene setting content and the approach for the development of illustrations/examples of connectivity for the project's forthcoming Discussion Paper. Members made suggestions for enhancing the conceptual scene-setting content and refining the approach for selecting illustrations/ examples.

No decisions were taken at the meeting.

Integration in reporting - ISSB agenda consultation

Members were updated on the feedback to the ISSB's agenda consultation and specifically regarding integration in reporting and connectivity, as well as an overview of the follow-up discussions in the joint IASB-ISSB and Integrated Reporting and Connectivity Council January meetings.

No decisions were taken at the meeting.

Next meeting

EFRAG FR TEG and EFRAG SR TEG will hold a next joint meeting on [3 July 2024](#).

EFRAG'S FINANCIAL REPORTING ACTIVITIES

OPEN CONSULTATIONS

Title and description	Closing date
Survey on IASB's ED <i>Financial Instruments with Characteristics on Equity</i> (proposed amendments to IAS 32, IFRS 7 and IAS 1)	8 March 2024
EFRAG's Draft Comment Letter on the IASB's ED <i>Financial Instruments with Characteristics of Equity</i> (proposed amendments to IAS 32, IFRS 7 and IAS 1)	20 March 2024
Survey for preparers, auditors, regulators and national standard setters on Post-implementation Review of IFRS 16 <i>Leases</i>	15 April 2024
Survey for users on Post-implementation Review of IFRS 16 <i>Leases</i>	15 April 2024

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

WEBINARS AND ONLINE OUTREACHES

EFRAG joins ASCG and AFRAC for German outreach event on the IASB's ED/2023/5 *Financial Instruments with Characteristics of Equity* ('FICE')

On 4 March 2024, the German Accounting Standards Committee (ASCG) together with the standard setter from Austria (Austrian Financial Reporting Advisory Committee, AFRAC) and EFRAG, in cooperation with the IASB, discussed the IASB's Exposure Draft *Financial Instruments with Characteristics of Equity* (ED FICE).

The event was held virtually and in German. The participants shared their views on the key issues of the IASB's ED FICE, most importantly the effects of relevant laws and regulations (Question 1 of the ED); settlement in an entity's own equity instruments, notably the passage-of-time adjustments (Question 2 of the ED); obligations to purchase an entity's own equity instruments, notably the written put options on non-controlling interests (Question 3 of the ED); contingent settlement provisions (Question 4 of the ED). The IASB Chair Andreas Barckow explained the IASB's views behind the proposals in the ED.

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

EFRAG, IASB and EAA online workshop on the IASB's ED *Financial Instruments with Characteristics of Equity*

On 11 March 2024, EFRAG will join the IASB and the EAA for a workshop about the IASB's ED FICE.

This online workshop will provide an overview of the IASB's ED FICE (*Proposed amendments to IAS 32, IFRS 7 and IAS 1*) and an overview of EFRAG's draft comment letter.

The audience will have the opportunity to ask questions and exchange with the presenters.

If you would like to participate, please register [here](#).

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

Outreach event on the IASB's ED FICE by EFRAG and OIC

On 12 March 2024, EFRAG will join the OIC (*Organismo Italiano Contabilità*) event aimed at discussing the IASB's ED FICE, in cooperation with the IASB.

The event will take place in Milan and may be followed in streaming. The event will be in Italian and participation will be free of charge. Virtual participants can register by clicking the [link](#). For more details, please see the [EFRAG website](#).

EFRAG launches survey on the IASB's ED FICE

On 1 February 2024, EFRAG launched an online survey to seek views on the IASB's ED FICE (*Proposed amendments to IAS 32, IFRS 7 and IAS 1*).

You may submit your answers, by using the [link](#) to the survey, by **8 March 2024**.

You can access the pdf version [here](#).

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

Any issue with IFRS 16 Leases? Please express your views by filling in the EFRAG survey for preparers, auditors, regulators and national standard setters on Post-implementation Review of IFRS 16

On 13 February 2024, EFRAG launched a survey to seek input from preparers, auditors, regulators, and national standard setters in preparation for the IASB's request for information related to the Post-implementation Review of IFRS 16 *Leases*.

You may complete the survey by using the [link](#), by **15 April 2024**.

You can access the pdf version [here](#).

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

EFRAG survey seeks input from users on the effects of the implementation of IFRS 16 Leases - Has the reporting for leasing activities been improved?

On 20 February 2024, as part of its outreach on the Post-implementation Review of IFRS 16 Leases, EFRAG invited users of financial statements to provide their views on the usefulness of information as a result of the implementation of IFRS 16, by filling in the EFRAG survey. The survey feedback will complement the feedback received from preparers, auditors, regulators, and national standard setters.

You can submit your answers, by using the [link](#) to the survey, **by 15 April 2024**.

You can access the pdf version [here](#).

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

EFRAG FINANCIAL REPORTING BOARD (FRB)

Physical meeting 29 February 2024

The EFRAG FRB held a physical meeting on [29 February 2024](#) and discussed the following topics:

IASB Project *Business Combinations–Disclosures, Goodwill and Impairment*

Members were provided with the summary of the feedback collected on EFRAG's survey related to the IASB's proposed disclosure requirements on its project *Business Combinations - Disclosures, Goodwill and Impairment*. EFRAG FRB provided their views on the key messages for EFRAG's draft comment letter for the upcoming Exposure Draft ('the ED'). The ED is expected to be published in March 2024. The key messages were developed based on previous EFRAG discussions on the IASB's redeliberations, the survey results and the preliminary views provided during the latest EFRAG FR TEG meeting on 14 February 2024.

EFRAG FRB generally welcomed the IASB's proposals related to disclosures, as they strike a balance between preparers' costs and users' needs. However, members highlighted some concerns related to the location of information, commercial sensitivity, lack of definition of synergies, auditability and availability of some of the information. EFRAG FRB members were also concerned that the improvements to the impairment test would not go far enough, while acknowledging that the IASB's proposals would lead to limited improvements.

No decisions were taken at the meeting.

IASB Project *Primary Financial Statements*

EFRAG FRB members were provided with an overview of the status of the project, the latest decisions taken by the IASB, the update on EFRAG Secretariat activities and its preparatory work for the assessment of the endorsement criteria. Based on the IASB's decisions, key topics identified so far for the endorsement advice were presented and discussed with the EFRAG FRB members. Members highlighted critical points for the assessment of the endorsement criteria (e.g. the classification of income and expenses from equity-accounted for investments) but no blocking factors for the endorsement process were noted by the EFRAG FRB members based on the latest IASB's redeliberations.

No decisions were taken at the meeting.

EFRAG Proactive Research Project *Accounting for Variable Consideration*

EFRAG FRB considered the feedback received in response to EFRAG's Discussion Paper *Accounting for Variable Consideration—from a purchaser's perspective*. Members acknowledged the richness of the feedback and noted that the diverse views expressed on the topic reflected the divergence in practice and the need for standard-setting to solve the highlighted issues. EFRAG will issue a summary of the feedback, which can be an input for the IASB projects on intangibles, provisions and the equity method.

Update on work plan and any other matters

Members were provided with the updated EFRAG work plan, which took into account timeline changes to the IASB's own work plan. They called for more updates to be provided on EFRAG's research project *Connectivity between Financial and Sustainability Reporting*.

Next meeting

EFRAG FRB will hold a next meeting on [22 March 2024](#)

EFRAG FRB February 2024 written procedures

EFRAG FRB did not approve any documents using written procedures in February.

EFRAG FRB expected March 2024 written procedures

EFRAG FRB is not expected to approve any documents using written procedures in March.

EFRAG FINANCIAL REPORTING TECHNICAL EXPERT GROUP (FR TEG)

Physical meeting 14 February 2024

EFRAG FR TEG held a physical meeting on [14 February 2024](#) and discussed the following topics:

IASB Project *Business Combinations–Disclosures, Goodwill and Impairment*

EFRAG FR TEG received a summary of the feedback received on an EFRAG survey on the IASB's tentative decisions related to disclosures on its project on *Business Combinations - Disclosures, Goodwill and Impairment* and discussed key messages for EFRAG's draft comment letter on the forthcoming exposure draft, which were then presented to the FRB on 29 February 2024.

No decisions were taken at the meeting.

IASB Project *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9)*

EFRAG FR TEG received a summary of the IASB's discussions and decisions on the assessment of contractual cash flows, financial assets with non-recourse features and contractually linked instruments (CLIs).

Members generally agreed with the IASB's tentative decisions but highlighted some issues on interaction of the IASB's proposals on SPPI requirements with existing requirements in IFRS 9, such as de-minimis for example.

No decisions were taken at the meeting.

IASB Project *Power Purchase Agreements - Own use exemption (Amendments to IFRS 9)*

EFRAG FR TEG was provided with a summary of the discussion on *Power Purchase Agreements* (PPAs) and virtual PPAs (vPPAs) held at the 29 January 2024 ASAF meeting and with proposals of the EFRAG Secretariat that could address some of the issues raised. EFRAG FR TEG generally supported the IASB's approach to address the issues on PPAs and vPPAs considering the existing time constraints.

The explanation of an illustrative example of the EFRAG Secretariat alternative own use model was postponed due to a packed agenda. This was discussed in two additional EFRAG FR TEG meetings on 5 and 6 March 2024.

No decisions were taken at the meeting.

IASB Research Project *Post-implementation Review of IFRS 16*

EFRAG FR TEG discussed the content of a survey to users, which aims to collect feedback for complementing the input from the separate survey to preparers, auditors, regulators and national standard setters, which was launched on 13 February 2024. Members generally agreed with the proposed content and provided their input (e.g., adding a specific question about the accounting for sale and leaseback transactions). The survey was published shortly after the meeting on 20 February 2024.

No decisions were taken at the meeting.

Physical meeting 15 February 2024

EFRAG FR TEG held a physical meeting on [15 February 2024](#) and discussed the following topics:

IASB Project *Disclosure Initiative–Subsidiaries without Public Accountability: Disclosures*

EFRAG FR TEG discussed the latest sweep issues raised to the IASB in its January 2024 meeting and related tentative decisions. They mainly agreed with the latest decisions taken by the IASB. Additional clarifications regarding the process and the next steps were provided by the IASB member present at the meeting.

No decisions were taken at the meeting.

IASB Project *Updating the Subsidiaries without Public Accountability: Disclosures Standard*

EFRAG FR TEG discussed the latest tentative decisions on the IASB project on *Updating the Subsidiaries without Public Accountability: Disclosures Standard*. Members were generally supportive of the proposed reduced disclosures for *Supplier Finance Arrangements, International Tax Reform – Pillar Two Model Rules* and *Lack of Exchangeability*.

No decisions were taken at the meeting.

EFRAG Proactive Research Project *Accounting for Variable Consideration*

EFRAG FR TEG received a summary of the feedback received in response to EFRAG's Discussion Paper *Accounting for Variable Consideration–From a purchaser's perspective*. EFRAG FR TEG recommended issuing a summary of the feedback received (without any recommendations) and to use the feedback received when considering the projects on IASB's workplan including provisions, equity method, and intangible assets.

Next meeting

EFRAG FR TEG will hold PPAs focused catch-up meetings on 5 and 6 March and a next ordinary meeting on [14 March 2024](#).

EFRAG'S SUSTAINABILITY REPORTING ACTIVITIES

PUBLICATIONS

EFRAG's public consultation on Draft XBRL Taxonomy for ESRS Set 1

On 8 February 2024, EFRAG launched the public consultation on the 'Draft ESRS Set 1 XBRL Taxonomy'. In addition, EFRAG consults on the draft XBRL Taxonomy for Article 8 disclosures as requested by the European Commission. The digital taxonomies enable the marking up ('tagging') of sustainability reporting in machine-readable XBRL format. The consultation period will run until **8 April 2024**, and EFRAG invites all stakeholders to provide comments through online consultation questionnaires.

For more details, please see the [EFRAG's webpage on Sustainability Reporting Taxonomies](#).

EFRAG ESRS Q&A platform releases the first set of technical explanations

In the fourth quarter of 2023, EFRAG launched its [ESRS Q&A Platform](#) to collect and answer technical questions, supporting preparers and other stakeholders with the implementation of the European Sustainability Reporting Standards (ESRS) issued as Delegated Act.

On 5 February 2024, EFRAG released the first set of Explanations to respond to questions received. These responses are provided as part of its role of technical advisor to the European Commission and are expected to provide a practical and timely support for preparers and others in the implementation of ESRS.

The Explanations released are grouped in chapters according to their nature (cross-cutting, environment, social, governance).

EFRAG will release quarterly a collection of the issued Explanations, grouped by topic to help constituents navigate in the issued documents.

Click [here](#) to access the full document.

The second instalment was released on 1 March 2024. Click [here](#) to access the full document.

SELECTED NEWS

Patrick De Cambourg celebrates 50 years of professional career.

Patrick De Cambourg, Chair of the EFRAG SRB celebrated with the EFRAG Secretariat, the achievement of 50 years of professional career. EFRAG expresses its warmest congratulations to him and looks forward to continuing working under his valuable guidance.

EFRAG, CEN and CENELEC sign an MoU

A memorandum of understanding (MoU) was signed on 7 February 2024 by EFRAG and by CEN and CENELEC, with the aim to facilitate the implementation of sustainability reporting requirements for European businesses.

The MoU includes, among other aspects, cooperation to identify relevant CEN and CENELEC Standards and Publications facilitating the implementation of ESRS. This will allow to avoid duplication of efforts and enhance visibility between distinct experts' communities in a fast changing and constantly evolving field of interest.

EFRAG launches the Financial Institution Advisory Panels (FIAPs)

On 28 February 2024 the EFRAG SR TEG approved the composition of the EFRAG Banking, Capital Markets and Insurance Advisory Panels (EFRAG BAP, CMAP and IAP respectively). These advisory panels will contribute to the development and maintenance of the sector specific ESRS on financial institutions and in general to provide sector-specific views and technical inputs to the EFRAG SR TEG. The composition of the panels is available [here](#). EFRAG will consult on the three Exposure Drafts for these sector ESRS in 2025. The preparatory work will take place in 2024.

OPEN CONSULTATIONS

Title and description	Closing date
Draft XBRL Taxonomy for ESRS Set 1	8 April 2024
Draft XBRL Article 8	8 April 2024
Exposure Draft ESRS for listed SMEs	21 May 2024
Voluntary reporting standard for non-listed SMEs	21 May 2024

WEBINARS AND ONLINE OUTREACHES

Launch of educational videos on SME standards

On 20 February 2024, EFRAG launched educational videos on the ESRS LSME ED and VSME ED, released for public consultation on 22 January 2024.

This series is composed of three videos presented by the EFRAG Sustainability Reporting TEG members and Secretariat:

- **Highlights of the two SME Exposure Drafts** by Chiara Del Prete, EFRAG SR TEG Chair;
- **Presentation of ESRS LSME Exposure Draft** by Paolo Mazzeo, EFRAG Senior Technical Manager; and
- **Presentation of VSME Exposure Draft** by Elisa Bevilacqua, EFRAG Senior Technical Manager

Click [here](#) to watch the videos.

Public consultation outreach - workshop to present the draft ESRS Set 1 XBRL Taxonomy

EFRAG invited stakeholders (preparers, analysts, data providers, software vendors, investors, financial institutions) to join a hybrid workshop on Thursday 29 February 2024. Participants were provided with a complete overview of the ESRS Set 1 Draft XBRL Taxonomy and had the opportunity to provide their feedback and exchange with the speakers. The link to the video will be published in due course.

Public consultation outreach - LSME ED and VSME ED

EFRAG invited interested stakeholders to join a hybrid outreach event focusing on SMEs, on 20 February 2024. This event complements the launch of the public consultation for two Exposure Drafts (EDs) on sustainability reporting standards for SMEs. The participants received a comprehensive overview of the two Exposure Drafts on sustainability reporting standards for SMEs, namely: the ESRS for listed SMEs (ESRS LSME ED) and the voluntary reporting standard for non-listed SMEs (VSME ED). Participants had the possibility to ask questions and the presentation was followed by a very lively questions and answers session.

Outreach meetings - LSME ED and VSME ED

EFRAG Secretariat had several closed meetings with stakeholders in the context of the outreach activities. These include a meeting with the SME Envoy Network, a meeting with the European Economic Social Committee Micro, Small and Medium

Enterprises Category and kick-off workshops for the preparers and users that are participating to the field test of LSME and VSME.

EFRAG SUSTAINABILITY REPORTING BOARD (SRB)

Meeting date	Topics covered
07 February 2024	<ul style="list-style-type: none"> • Presentation of the EFRAG strategy 2024 to 2027 (closed) • Discussion of feedback on EFRAG SRB functioning practices (closed) • Approval of batch of Q&A categorisations (open)
21 February 2024	<ul style="list-style-type: none"> • Update on high-level workplan (closed) • Update on feedback received for IG 1 to 3 (closed) • Discussion of approach to sector materiality (open) • Approval of batch of Q&A explanations and categorisations (open)
28 February 2024	<ul style="list-style-type: none"> • Discussion of updates to EFRAG SRB functioning practices (closed) • Continued of the workplan discussion including road map for sector standards (closed) • Continued discussion of materiality for sector standard setting (open)

The next EFRAG SRB meeting will be held on [20 March 2024](#) followed by a joint meeting with EFRAG SR TEG ([20 March 2024](#)).

Materiality for sector standard setting

On 21 and 28 February 2024, the EFRAG SRB discussed the approach to sector materiality. The majority of the EFRAG SRB members supported to proceed with an approach along the lines of the one consensually agreed by the EFRAG SRB in March 2023. In particular:

- the Sector ESRS includes a list of matters that are commonly relevant in the sector;
- an explanation is required of the business model, the products and of the materiality assessment process, to facilitate understanding of why some of the matters listed as commonly applicable to the sector are assessed as material why others are not;
- no explanations are required when DRs or data points are omitted;
- paragraphs 29, 31, 33, 34, 35 of ESRS 1 are applicable;

- for metrics that are not EU data points, paragraph 39 of the November draft of ESRS 1 is applicable;
- specific new ARs (application requirements) will support the materiality assessment in the sector ESRS, illustrating the conditions that could lead to the conclusion that a matter is not material.

Q&A platform

On 7 February 2024, the EFRAG SRB approved the presented categorisations, with changes made for ID 185 and 516, that will be treated as Explanations. On 21 February 2024, the EFRAG SRB approved a batch of Explanations and categorisations with suggested changes for ID 515 and ID 32. For ID 515, the categorisation was changed to 'Implementation Guidance - addendum to existing one (2b).' The EFRAG SRB members agreed that two versions of ID 32 will be further discussed and reviewed by the EFRAG SR TEG and EFRAG SRB. All explanations were approved except for three explanations (IDs 29/261, 41, and 78) which were the subject to objections or require further review. The EFRAG Secretariat will submit the approved batch of categorisations to the EFRAG SR TEG on a no-objection basis. Additionally, it will release the 12 explanations approved, including further editorial changes.

EFRAG SUSTAINABILITY REPORTING TECHNICAL EXPERT GROUP (SR TEG)

Meeting date	Topics covered
1 February 2024	<ul style="list-style-type: none"> • Approval of batch of categorisations and approval of explanations and changes to them from the Q&A Platform (open) • Approval of membership Financial Institution Advisory Panels (private/closed)
15 February 2024	<ul style="list-style-type: none"> • Update on EFRAG Secretariat comments regarding the GRI climate consultation (closed)
29 February 2024	<ul style="list-style-type: none"> • Update on IGs (closed) • Approval of batch of Q&A categorisations and explanations (open)

The next EFRAG SR TEG meeting will be held on [7 March 2024](#).

Q&A Platform

On 1 February 2024, no objections were raised for categorisations approved by the EFRAG SRB. The granularity of the submission form will be increased to distinguish

between “users” and “preparers”. Of the draft explanations, six will be discussed in the next EFRAG SR TEG meeting. The EFRAG SR TEG approved six draft explanations subject to editorial changes for submission to the EFRAG SRB.

On 29 February 2024 the EFRAG SR TEG approved with no objections the batch of categorisations previously approved by the SRB on 21 February 2024. On the set of explanations that were amended after previous objections from the EFRAG SR TEG itself, ID 251, ID 291, ID 440 were approved with minor editorial changes, while ID 32 was approved subject to the inclusion of reference to AR 60. ID 201 will be rediscussed in the following EFRAG SR TEG meeting. The new batch of draft explanations proposed to EFRAG SR TEG was approved, with ID 286, 441, 510 subject to editorial amendments.

OTHER INVOLVEMENT IN SUSTAINABILITY REPORTING

Platform on Sustainable Finance (PSF)

EFRAG is an official observer in the second mandate of the Platform on Sustainable Finance and is represented by Kerstin Lopatta, EFRAG SRB Vice-Chair. EFRAG participates in *Usability and Data* (SG1) and in the *Technical Working Group advising on the technical screening criteria* (SG2).

The next meeting of the Platform will take place on 6 March 2024. EFRAG will present at this meeting the Exposure Draft ESRS for listed SMEs (ESRS LSME ED) and the Exposure Draft for the voluntary reporting standard for non-listed SMEs (VSME ED) followed by a Q&A session.