

EFRAG STAFF PAPER FOR PUBLIC MEETING

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IFRS 9 *Financial Instruments* Draft Endorsement Advice

Objective

- 1 The purpose of this session is to present to the EFRAG Board a first comprehensive draft of the document that is intended for public consultation, on the basis of a draft that reflects EFRAG TEG's advice (to recommend positive endorsement advice of IFRS 9) and input in the drafting of the document. The first comprehensive draft of the Draft Endorsement Advice includes:
 - (a) The invitation to comment;
 - (b) The cover letter;
 - (c) Appendix 1: the description of the standard;
 - (d) Appendix 2: the assessment of IFRS 9 vs the technical endorsement criteria; and whether it leads to prudent accounting;
 - (e) Appendix 3: the assessment of whether IFRS 9 would be conducive to the European public good; and
 - (f) Appendix 4: other aspects on which the European Commission has explicitly requested advice.
- 2 All but one EFRAG TEG members have approved the conclusions reached in the document, except for:
 - (a) the analysis of possible impacts on issuer and investor behaviours, an area where EFRAG TEG does not regard itself as an expert group; and
 - (b) the interrelationship between IFRS 4 and IFRS 9, an area where EFRAG TEG would consider necessary a quantification of the costs involved in the successive efforts of implementing IFRS 9 in advance of IFRS 4.
- 3 One EFRAG TEG member dissents from advising endorsement of IFRS 9 to the Board. The reasons for this dissent are explained in paper 13.03.

Questions for EFRAG Board members

- 4 Do EFRAG Board members agree with the advice received from EFRAG TEG? If not which of the conclusion(s) are rejected and why?
- 5 Do EFRAG Board members agree with the draft conclusions on potential impacts on issuer and investor behaviours?
- 6 Do EFRAG Board members have a view on the interrelationship between IFRS 9 and IFRS 4? What do EFRAG Board members want to recommend the European Commission on this issue?
- 7 Do EFRAG Board members have comments on the proposed text of the draft endorsement advice, insofar currently finalised?

Agenda Papers

- 8 In addition to this cover note, agenda papers for this session are:
 - (a) Agenda paper 13.02 – IFRS 9 invitation to comment;
 - (b) Agenda paper 13.03 – IFRS 9 draft endorsement advice; and
 - (c) Agenda paper 13.04 – Dissenting opinion of one EFRAG TEG member.