

## EFRAG STAFF PAPER FOR PUBLIC MEETING

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### Technical Work Plan March – September 2015

#### Objective

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

#### Background

- 2 In the past, the 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 implementation projects as significant. There are no new projects classified as significant.
- 4 Attachment 2 to this note contains the draft technical work plan, based on the IASB's work plan as at 24 February 2015 and the approved proactive technical work plan. It also identifies the expected timing of written procedures.

#### Issues for the attention of the Board

- 5 The IASB has decided to make some clarifications to IFRS 15 *Revenue from Contracts with Customers* as a result of the work by the Joint Transition Resource Group of the IASB and FASB. Both the IASB and the FASB will propose changes, although the IASB will propose fewer changes to the revenue standard than the FASB. This project has been tentatively classified as 'not significant' as it is dealing with clarifications to an existing standard.

#### Questions for the EFRAG Board

- 6 Do you agree that the projects identified should remain classified as significant? Specifically, do you agree that the clarifications to IFRS 15 should be classified as not significant?
- 7 Do you have any comments on the revised technical work plan?

**Attachment 1: Basis for classifying minor projects as significant**

**New projects classified as significant**

8 No new projects were classified as significant.

**Projects already classified as significant**

*Fair value measurement: unit of account*

9 This project was classified as significant because of the split views between those who consider that the fair value should be the block of shares and those who consider that the fair value should be represented by the quoted price of the individual instrument multiplied by the number of instruments held.

10 This classification may change once the IASB has considered the comments received on the recent Exposure Draft.

*Investment entities: applying the consolidation exception*

11 This standard is classified as significant because of the concerns raised both to EFRAG and to the Accounting Regulatory Committee.

12 The key concerns relate to:

- (a) the potential loss of information from not requiring intermediate parent entities that are investment entities to prepare consolidated financial statements; and
- (b) the potential conflict between this standard and the Accounting Directive requiring consolidated financial information.

*Sale or contribution of assets between an investor and its associate or joint venture*

13 This project is classified as significant because:

- (a) There is a technical loophole in IAS 28 *Investments in Associates and Joint Ventures*. This has been brought to the attention of the IASB and the Exposure Draft expected in Q2 2015 relating to the *Elimination of Gains or Losses arising from Transactions between an Entity and its Associate or Joint Venture* will contain a proposal to rectify the problem; and
- (b) The Board has recommended to the European Commission that the endorsement process on this amendment be deferred and addressed at the same time as the forthcoming Exposure Draft.

**Attachment 2: Work plan March – September 2015**

**Legend**

**Bold** = EFRAG Board decision point

**WP** = Written procedure

**DP** = Discussion paper

**ED** = Exposure draft

**DCL** = Draft comment letter

**FCL** = Final comment letter

**DEA** = Draft endorsement advice

**FEA** = Final endorsement advice

Project	Most recent status		2015					
			Mar 11	April 22	June 3	June 24	July 22	
<b>IASB SIGNIFICANT PROJECTS</b>								
<i>IASB major projects</i>								
Insurance contracts (EFRAG position considered Nov 2014)	ED DCL Aug 2013	ED FCL Dec 2013						
IFRS 9 <i>Financial Instruments</i> (IFRS issued July 2014)	EC request Dec 2014		Consider issues	<b>DEA</b>			<b>FEA</b>	

Technical Work Plan March – September 2015

Project	Most recent status		2015					
			Mar 11	April 22	June 3	June 24	July 22	
Leases (IFRS expected Q3 2015)	ED DCL July 2013	ED FCL Oct 2013						
Macro hedging (DP comment period closed Oct 2014)	DP DCL July 2014	DP FCL Oct 2014						
IFRS 15 <i>Revenue from Contracts with Customers</i> (IFRS issued May 2014 DEA comment period closed 15 Dec 2014)	FEA Feb 2015 subject to drafting							
Rate-regulated activities (DP comment period closed 15 Jan 2015)	DP DCL Oct 2014	DP FCL Jan 2015						
Disclosure initiative - Principles (DP expected Q4 2015)								Consider issues
Conceptual Framework (ED expected Q1 2015)	DP DCL Sep 2013	DP FCL Feb 2014		Consider issues	<b>ED DCL</b>			
<b>IASB minor projects</b>								
Fair value measurement: unit of account	ED DCL Oct 2014	ED FCL Jan 2015						

Technical Work Plan March – September 2015

Project	Most recent status		2015					Sept 21
			Mar 11	April 22	June 3	June 24	July 22	
Investment entities: applying the consolidation exception (IFRS issued December 2014)	ED DCL July 2014	ED FCL Oct 2014		DEA				
Sale or contribution of assets between an investor and its associate or joint venture (IFRS issued September 2014 – DEA deferred)	ED DCL Jan 2013	ED FCL April 2013						
<b>IASB PROJECTS THAT ARE NOT SIGNIFICANT</b>								
Annual improvements 2014-2016 (ED expected Q2 2015)							ED DCL WP	
Clarifications of classification and measurement of share-based payment transactions (ED issued November 2014)	ED DCL 2 Dec 2014		ED FCL WP					
Clarifications to IFRS 15 <i>Revenue from Contracts with Customers</i> (ED expected Q2 2015)							ED DCL WP	
Classification of liabilities (ED issued Q1 2015)			ED DCL WP		ED FCL WP			
Disclosure initiative – amend IAS 1 (IFRS issued December 2014)					FEA WP			

Technical Work Plan March – September 2015

Project	Most recent status		2015					
			Mar 11	April 22	June 3	June 24	July 22	
Disclosure initiative – amend IAS 7 (ED issued December 2014)				ED FCL WP				
Elimination of gains or losses arising from transactions between an entity and its associate or joint venture (ED expected Q2 2015)					ED DCL WP			
Recognition of deferred tax assets for unrealised losses (Comment period closed 18 Dec 2014)	ED DCL Sept 2014	ED FCL Jan 2015						
Amendments IAS 19, IFRIC 14 (ED expected Q2 2015)							ED DCL WP	
<b>PROACTIVE PROJECTS - Significant</b>								
Goodwill amortisation and impairment					Consider issues			