

EFRAG SECRETARIAT PAPER FOR PUBLIC MEETING

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Conceptual Framework

Cover note

Objective

- 1 The purpose of this session is to consider, and if possible approve, EFRAG's draft comment letter in response to the IASB Exposure Draft *Conceptual Framework for Financial Reporting*.

Related matters

- 2 Together with the Exposure Draft *Conceptual Framework for Financial Reporting*, the IASB issued the Exposure Draft *Updating References to the Conceptual Framework*. This paper suggests amending references in current IFRS to the current Conceptual Framework to the revised Conceptual Framework. It suggests that preparers should apply the revised Conceptual Framework retrospectively with a transition period of 18 months. EFRAG TEG's tentative view is to oppose retrospective application because the use of the Conceptual Framework in developing accounting policies is one part of a complex decision. However, EFRAG TEG is uncertain about the impact of retrospection application, including the practicality, and suggests including a question to constituents in EFRAG's draft comment letter on the matter. EFRAG's draft comment letter will be considered by the EFRAG Board by written procedure.

Question to EFRAG Board

- 3 Do you agree with the proposed approach to issuing the draft comment letter on the Exposure Draft *Updating References to the Conceptual Framework*?
- 4 The EFRAG Board has previously considered a paper for the July 2015 ASAF meeting on when to report items in OCI (the 'profit or loss versus OCI' paper). This paper will be issued as an EFRAG publication (a short discussion paper) together with EFRAG's draft comment letter in response to the IASB Exposure Draft *Conceptual Framework for Financial Reporting*. For that purpose, some questions will be included in the paper for EFRAG's constituents.
- 5 On 1 July, EFRAG will co-host an investor event with the title: 'Could profit or loss become more useful?' The aim is to receive more input from users on how items should be measured for the purpose of that statement of profit and loss and the statement of financial position and on what items should be reported in other comprehensive income and profit or loss.
- 6 EFRAG CFSS members have been asked whether they want to co-host national outreach events on the Exposure Draft *Conceptual Framework for Financial Reporting*. Some of the events are currently being planned.

Papers for the session

- 7 In addition to this cover note, the following papers have been prepared for the session:
- (a) **Paper 08.02** – EFRAG’s draft comment letter in response to the IASB Exposure Draft *Conceptual Framework for Financial Reporting*.
 - (b) **Paper 08.03** – IASB’s ‘snapshot’ presentation of the proposals included in the Exposure Draft *Conceptual Framework for Financial Reporting*. This presentation has been made available to EFRAG Board members as background material.