

This paper provides the technical advice from EFRAG TEG to the EFRAG Board, following EFRAG TEG's public discussion. The paper does not represent the official views of EFRAG or any individual member of the EFRAG Board. This paper is made available to enable the public to follow the EFRAG's due process. Tentative decisions are 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.

Third IASB Agenda Consultation and EFRAG Proactive Research Agenda

Analysis of the comment letters received

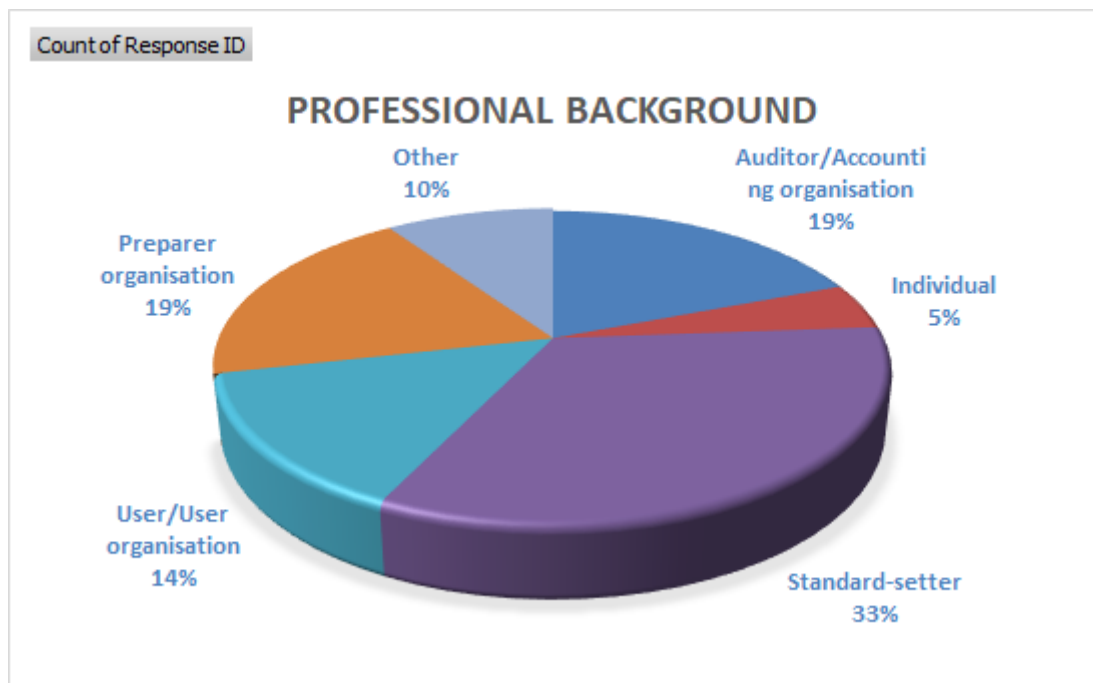
- 1 Based on the comments received and the advice from EFRAG TEG in its meeting of 28 September 2021, a draft final comment letter is presented as agenda paper 02-03.

Structure of the paper

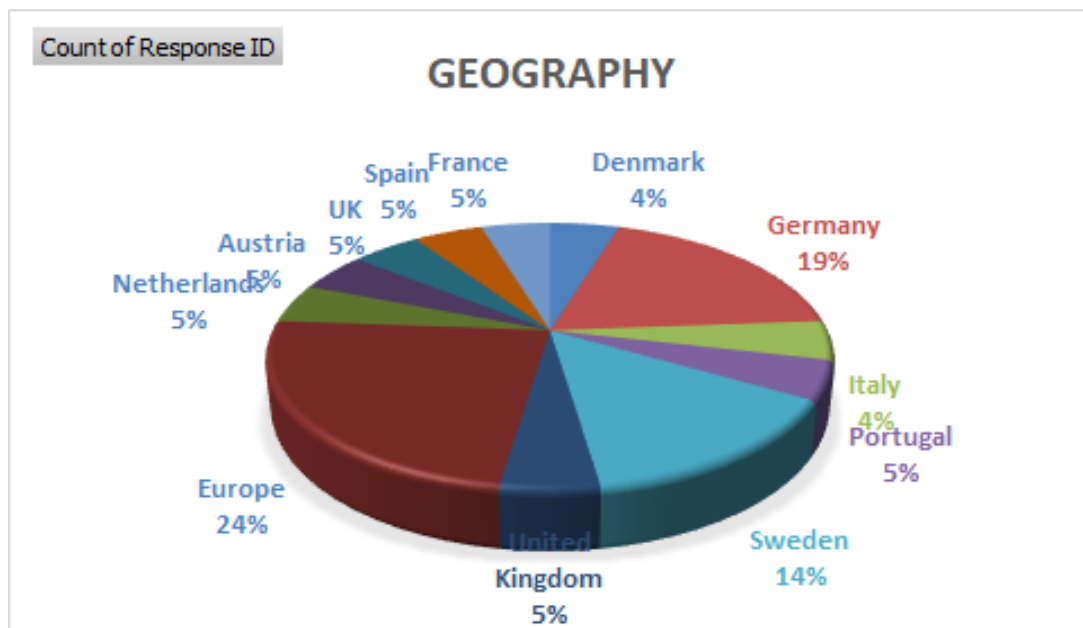
- 2 This comment letter analysis contains:
 - (a) Background;
 - (b) Summary of respondents;
 - (c) Summary of respondents' views;
 - (d) Main positions in EFRAG's proposed final comment letter;
 - (e) Appendix 1 - detailed analysis of responses to questions in EFRAG's draft comment letter; and
 - (f) Appendix 2 – list of respondents.

Background

- 3 On 20 May 2021 the joint consultation document was published for comments. The comment deadline was 17 September 2021. In addition, a survey was released on 4th June 2021 allowing constituents to submit their comments either by comment letter or electronically via the survey.
- 4 On 9 September 2021 a joint webinar was organised by EFRAG, IASB, EFFAS, Business Europe and Accountancy Europe. A summary of the main messages received during this webinar have been included in this paper.
- 5 At the moment of writing, the EFRAG Secretariat received 16 comment letters of which one in draft format. In addition to this, seven responses to the survey were received, five full responses and two partial responses.
- 6 The professional background of the respondents (both survey and comment letter) is presented in the chart below (the group 'other' includes an international sustainability reporting framework provider):



7 The geographical spread of the respondents is presented in the chart below:



High level messages from this survey

- 8 There is a substantial alignment of the responses with the list of priorities identified in our DCL for both IASB and EFRAG.
- 9 Focus on sustainability (as one of the international initiatives that provides sustainability reporting framework responded to the survey):
 - (a) the IASB should have the capacity to maintain alignment with the future work of the ISSB when it starts to move beyond its initial focus on climate. Given

the inherent complexity, the IASB should identify whether key sustainability-related risks are already captured within the current IFRS Standards before considering the introduction of a new standard or a significant change to existing standards;

- (b) the respondent recommends EFRAG to expand its Comment Letter to cover the coordination of the IASB's and the ISSB's future activities for promoting connectivity between the IFRS Standards and the potential Sustainability Standards.

Summary of respondents' views (comment letters and survey)

- 10 When providing the summary of respondents' views the EFRAG Secretariat took into consideration both comment letters and surveys. The following table provides an indication of the range of responses relating to the terms used throughout the summary:

Term Extent of response among respondents	
Almost all	90%-100%
Most	80%-90%
Majority	50% to 80%
Many, significant	20% to 50%
Some, others	10%-20%
A few	0%-10%

Strategic direction and balance of the IASB's activities

- 11 Many respondents noted that the IASB's level of activity on 'New IFRS Standards and major amendments to IFRS Standards' should be decreased while increasing the activity on 'Maintaining and upgrading existing IFRS Standards'. Respondents noted that a period of calm is needed so that focus on PIRs and identified issues can be increased. They also noted that amending existing IFRS's rather than developing new standards, which are more complex, would be easier, less costly and less time-consuming.
- 12 Many respondents also supported an increase on understandability and accessibility of the Standard. To this aim, one respondent suggested the IASB to expand the Basis for Conclusions and develop more illustrative examples.
- 13 Many respondents agreed with EFRAG that the connectivity between financial reporting and sustainability reporting should be identified as an additional and separate area of activity. Some others strongly supported the International Sustainability Standards Board (ISSB) and IASB to interact and coordinate to ensure interconnected standard-setting. Many respondents also agreed with EFRAG on increasing the 'Digital financial reporting' activity.
- 14 Many respondents also considered that the IASB should give priority to active projects on the IASB current work plan and on performing PIRs of recent major projects. Two respondents suggested the IASB focuses on the need to conduct PIRs rather than on the time the respective standard has been effective for (PIRs on a need basis).
- 15 3 respondents noted that the IRFS 17 needs to be firmly included in the IASB's work plan to allow for an alignment with the carve-out review to be conducted by the EU Commission.

IASB's criteria to select financial reporting issues

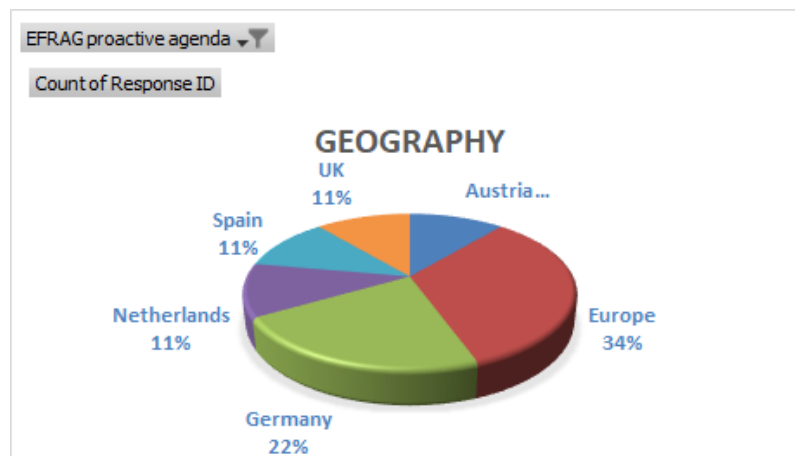
- 16 A majority of the respondents agreed or generally agreed with the proposed IASB's criteria. Some of these suggested the IASB adds the additional criteria to the Handbook in its next revision.
- 17 Some respondents agreed with the preliminary EFRAG view expressed in the consultation document that when selecting projects, precedence should be given to the 'official' criteria included in the Due Process Handbook.
- 18 Some respondents to EFRAG's online survey agreed with the two additional factors suggested by EFRAG in its consultation document. However, one respondent to the online survey disagreed. This respondent assessed that the two additional criteria suggested by EFRAG would be covered by the criteria suggested by the IASB.
- 19 Some respondents noted that the interest of other stakeholders such as preparers or creditors should be more in the focus.
- 20 Some respondents encouraged the IASB to thoroughly evaluate the cost-benefit relation of standard setting projects.

Financial reporting issues

- 21 According to the table included in paragraph 104 below respondents considered the following projects to be the highest priority for the IASB (projects in priority order as per the respondents' selection):
 - (a) Intangible assets;
 - (b) Climate related risks;
 - (c) Crypto assets/liabilities;
 - (d) Discontinued operations and disposal groups;
 - (e) Variable and contingent consideration; and
 - (f) Statement of cash flows.
- 22 Two respondents noted that the list of highest priority projects should be reviewed and narrowed down.
- 23 Two respondents suggested that the IASB reassesses the feasibility of fully completing all the projects in the current work plan.
- 24 Many respondents supported EFRAG's call for a more ambitious project on climate-related financial implications than the proposal in the RFI. However, two preparer organisations and one national standard setter considered climate related risks with a scope as included in the IASB's RFI to be a high priority project. A preparer organisation considered that connectivity between financial and sustainability reporting and climate related risks should be high priority but separated projects.
- 25 Many respondents supported the IASB undertakes a comprehensive review of IAS 38 to better reflect the increasing importance of intangibles in today's business models.
- 26 Many respondents suggested the IASB to broaden the scope to crypto assets/liabilities (not just cryptocurrencies).
- 27 Discontinued operations and disposal groups was seen by several respondents as a high or medium priority project. One respondent suggested not to carry out a PIR as this would delay standard setting. Instead, they expressed the view that the IASB should undertake a comprehensive review of IFRS 5 to address stakeholders' main concerns.

EFRAG's proactive agenda

- 28 Of the 16 comment letters received in time for inclusion in this comment letter analysis, nine included comments on EFRAG's proactive agenda consultation. The professional background and geography of these comment letters is as follows:



- 29 A majority of respondents agreed with the process suggested by EFRAG to select the most important projects for which EFRAG should perform proactive activities.
- 30 One respondent encouraged EFRAG to learn about the impact of its research projects on various matters such as the IASB agenda, developments or publications. The aim would be to identify factors for successful proactive research.
- 31 According to the table included in paragraph 195 below respondents considered the following projects to be the highest priority for EFRAG's proactive agenda (projects in priority order as per the respondents' selection):
- (a) Connecting financial and sustainability reporting;
 - (b) Digital reporting;
 - (c) Operating segments (IFRS 8); and
 - (d) Supply chain financing.
- 32 A majority of respondents considered the 1/3 of EFRAG's technical resources on proactive research projects to be appropriate.
- Online Outreach event 9 September*
- 33 The 9 September outreach event was split in three topics; Strategic direction and balance of the IASB's activities and the criteria used by the IASB to select financial

reporting issues, Potential new projects to be added to the IASB's work plan and EFRAG's own proactive agenda. These topics were discussed by three panellists which represented a preparer organisation, a user organisation and an accountant and audit organisation. Specific polling questions were launched during the event. An EFRAG Board member, which acted as the event moderator, discussed the polling question results and addressed to the panellists the questions raised by the audience.

- 34 On the first part of the event, two polling questions were launched and answered by 19 respondents.
- (a) The first question was which three areas of activity the IASB should increase/decrease while the second was about the three most/least relevant criteria. According to audience rates, the most rated activities to be increased were 'Digital financial reporting' (24%) and 'Maintenance and consistent application of IFRS Standards' (17%) while the most rated activity to be decreased was 'New IFRS Standards and major amendments to IFRS Standards' (37%).
 - (b) On the second question, audience considered the most relevant criteria to be 'Deficiency in reporting the type of transaction or activity' (29%) and 'Pervasiveness or how acute the issue is' (25%). On the contrary, they considered the least relevant criteria to be 'Complexity and feasibility of the project and its solution' (29%) and 'Capacity of the IASB and its stakeholders for timely progress' (26%).
- 35 Panellists suggested to limit the number of new projects as many changes were occurring at the same time. They would rather focus on finalising ongoing projects and increasing the accessibility and understandability of reporting requirements. Also, it was suggested that the EFRAG research work should anticipate the IASB work within the 2022-2027 period. For example, EFRAG could focus research work on a particular topic in the first half of this 5-year period, timely enough to feed in the IASB work on the same topic but in the second half of this 5-year period.
- 36 On the second part of the event, a polling question was launched and answered by 22 respondents. In this regard, audience considered 'Connecting financial and sustainability reporting, starting from climate-related financial implications' (34%), 'Intangible assets' (29%) and 'Crypto-assets and related transactions' (17%) to be the most relevant projects. Financial reporting issues suggested by panellists were in line with those selected by the audience.
- 37 On EFRAG's proactive agenda discussion, a polling question was launched and answered by 19 respondents. In this regard, audience considered 'Connecting financial and sustainability reporting, starting from climate-related financial implications' (33%) and 'Digital reporting' (23%) to be projects that should be selected by EFRAG as part of its proactive work plan. In addition, 14 % of the answers indicated that EFRAG should select any project rated in EFRAG's comment letter as highest priority and not selected by the IASB. Financial reporting issues suggested by panellists were in line with those selected by the audience, though one panellist suggested EFRAG to undertake a project on going concern if not selected by the IASB.

Main changes in EFRAG's proposed final comment letter

- 38 Considering the comments received the EFRAG Secretariat proposes to:
- (a) suggest the IASB to spend more time on maintenance and improving the understandability of standards and less time on new IFRS projects;
 - (b) refer to the PIR of IFRS 17 explicit;

- (c) amending EFRAG's draft response with regard to the selection criteria by acknowledging that all the suggested criteria could be useful, but that the additional criteria perhaps should be considered secondary to the criteria included in the Due Process Handbook. EFRAG's comment letter would state that it is not clear to EFRAG why additional criteria than those in the Due Process Handbook have been added and that the IASB should consider to add the additional criteria to the Due Process Handbook, if the IASB would decide to use these criteria for the section of projects for its agenda. a.
 - (d) to suggest that the IASB should consider the additional factors suggested by EFRAG for the prioritisation of projects to assess, among other factors, whether there is a significant deficiency in the way companies report a transaction or activity in financial reports.
 - (e) incorporate the message there should be less new projects, hence reducing the number of high priority projects to six:
 - (i) Intangible assets;
 - (ii) Connecting financial and sustainability reporting (including a broader scope as suggested in EFRAG DCL);
 - (iii) Crypto-assets and liabilities;
 - (iv) Discontinued operations and disposal groups;
 - (v) Statement of cash flows;
 - (vi) Variable and contingent consideration.
- 39 It is noted that the conclusions with regard to EFRAG proactive research agenda are not a part of the letter to the IASB. For these recommendations please refer to the dedicated chapter below.

Appendix 1 - Detailed analysis of responses to questions in EFRAG's draft comment letter

Question 1 – Strategic direction and balance of the Board's activities

Paragraphs 14–18 and Table 1 provide an overview of the Board's main activities and the current level of focus for each activity. We would like your feedback on the overall balance of our main activities.

(a) Should the Board increase, leave unchanged or decrease its current level of focus for each main activity? Why or why not? You can also specify the types of work within each main activity that the Board should increase or decrease, including your reasons for such changes.

(b) Should the Board undertake any other activities within the current scope of its work?

Proposals in the ED

40 The RFI describes the IASB's main activities and the current level of focus as follows:

- (a) developing new IFRS Standards and major amendments to IFRS Standards (current level of focus: 40%-45%);
- (b) maintaining IFRS Standards and supporting their consistent application (current level of focus: 15%-20%);
- (c) developing and maintaining the IFRS for SMEs Standard (current level of focus: 5%);
- (d) supporting digital financial reporting by developing and maintaining the IFRS Taxonomy (current level of focus: 5%);
- (e) improving the understandability and accessibility of the Standards (current level of focus: 5%); and
- (f) engaging with stakeholders (current level of focus: 20%-25%).

41 The IASB assumes, in its consultation, that its current level of resources will remain substantially unchanged from 2022 to 2026. Therefore, an increase in the allocation of resources to one activity would mean that fewer resources would be available for other activities.

EFRAG's tentative position

EFRAG considers that the overall balance of the main activities of the IASB, as indicated in the RFI, is appropriate and should not be substantially modified over the 2022-2026 period.

The activities in relation to digital reporting could be increased. EFRAG's is also suggesting to undertake a project on the effect on technology on standard setting.

EFRAG suggests that the connectivity between financial reporting and sustainability reporting should be identified as an additional and separate area of activity of the IASB. Sustainability reporting and financial reporting are currently not formally connected. EFRAG considers that possible developments in financial reporting standards may facilitate the creation of connectivity between financial and sustainability information.

EFRAG has previously indicated to the IASB (through its input to ASAF) that the IASB should give priority to finalising the major projects in its active work plan and conducting, on a timely basis, the Post-implementation Reviews ('PIR') of IFRS 9 *Financial Instruments*, IFRS 15 *Revenue from Contracts with Customers*, IFRS 16 *Leases* and, towards the end of the period under consideration, IFRS 17 *Insurance Contracts*.

Although we understand that only a limited number of projects can be added to the IASB's agenda after setting aside capacity for the current active work plan and planned PIRs, EFRAG considers that, in adding projects to its agenda the IASB should primarily rely on their relevance and urgency rather than the level of resources involved.

Finally, EFRAG considers that the IASB should set aside capacity to react to emerging and unforeseen issues that can arise over the next 5 years.

Summary of respondents' comments

- 42 Five respondents (two preparers organisation, one accountant and audit organisation, two national standard setters) considered the current level of focus on the IASB's main activities to be generally appropriate. One national standard setter proposed a different balance of activities. In particular, reducing to 35% the time spent on new IFRS, increasing maintenance to 25% and foresee 5% to connectivity between sustainability and financial reporting.
- 43 One national standard setter agreed with the strategic direction and balance of the Board's activities but found some areas of activities not very distinct. Eg. stakeholder engagement and support, which they consider an important activity, appear to be inherent in several of the areas of activities mentioned. Any activity that comprises stakeholder support should potentially be enhanced. They suggest that the activities of "digital financial reporting" as well as "understandability and accessibility" be increased, as this is presumably in the very interest of preparers (and other stakeholders). Alternatively, this could potentially be ensured by increasing the activity of "stakeholder engagement".
- 44 Also this respondent observed that most recently developed IFRSs ("new IFRSs"), as compared to earlier, still applicable IFRSs ("old IFRSs"), are different in structure, have a higher level of detail and are more complex. Our feeling is that amending existing IFRSs (instead of developing new IFRSs) would make both standard-setting and implementation less complex, less costly, less time-consuming. Therefore, we suggest that the activity of "New IFRS or major amendments" be reduced and "Maintenance" be increased.
- 45 One national standard setter noted the IASB should give priority to:
- (a) Maintaining and upgrading existing IFRS Standards;
 - (b) Moving on with the projects that are on the current work plan;
 - (c) Performing PIRs in due course (starting on time and not skirt around the matters that were contentious during the development of an IFRS standard);

- (d) Ensuring that financial information together with sustainability information provides a holistic and coherent view on corporate reporting (connectivity);
- (e) Assessing how digitisation could affect (i) the way information is consumed and (ii) the Board's standard setting activities.

46 One preparer organisation noted that the IASB should aim to keep its activity of developing new standards and major amendments at the lower end of the range. They also suggested the IASB to increase the activity devoted to ensuring that the quality and understandability of the standards is such that they facilitate consistent application and the avoidance of the frequent amendment of standards.

IFRS for SMEs

47 An association of accountants supported the current level of focus on the IFRS for SMEs Standard (5%) and noted the Board should continue developing and maintaining this standard.

48 One accountant and audit organisation noted that efforts to increase the use of IFRS for SMEs might be explored as these are not widely used in the EU. It also encouraged the IASB to be cognisant of the trickle-down effect whereby national standard setters 'borrow' accounting treatment from full IFRS for use in national standards that are primary directed at non-public accountable entities or SMEs. It also supported greater effort and innovation in the way the IASB collects inputs from SMEs respondents. In addition, it suggested the use of short surveys and standard response templates.

49 On the other hand, a standard-setter thought that the IASB should consider the future of IFRS for SMEs and focus more on core activities. One accountant and audit organisation noted that as SMEs prefer a stable environment, it suggested that this activity could be reduced as far as possible.

Developing new standards and major amendments to IFRS standards

50 One accountant and audit organisation supported the current level of focus (40% - 45%). They agreed that the Board considers undertaking post-implementation reviews (PIR) of IFRS 9 Financial Instruments (IFRS 9), IFRS 15 Revenue from Contracts with Customers (IFRS 15) and IFRS 16 Leases (IFRS 16). However, they suggest the IASB focuses on the need to conduct PIRs, not merely on the time the respective standard has been effective for. In this regard and in compliance with paragraph 6.52 of the Handbook, the IASB could undertake a preliminary assessment after two years of implementation and decide to postpone publishing a RFI for the PIR if it finds that there is no pressing need to undertake the PIR.

51 Three respondents (two preparer organisations, one national standard setter) noted that the PIR on IFRS 17 needs to be firmly included in the timetable of the IASB Board's activities to allow for an alignment with the carve-out review to be conducted by the Commission at EU level foreseen to be finalised by 31 December 2027.

52 An association of users thought that no major new standard project should be initiated. Instead, the IASB should focus on completing the standard projects already initiated and ensure consistent application of standards by, for example, making standards more understandable.

53 One national standard setter thought that the Primary Financial Statements and Regulatory Assets and Regulatory Liabilities should be finalised on the mid-term. They note that the existing work plan includes research projects (such as Business Combinations Under Common Control, Financial Instruments with the Characteristics of Equity, Goodwill and Impairment) that may significantly affect entities if the Board were to develop standard-setting along the tentative lines defined during the research phase. They encourage the Board to assess carefully the scope of, and need for, possible changes that would result from those projects,

in particular if the potential standard-setting direction were to reverse some of the Board's past decisions—we think that the Goodwill and Impairment project is topical in this respect.

- 54 This national standard setter highlighted the level of complexity of IFRS Standards and encouraged the IASB to consider simplifying the requirements whenever possible. They suggested the Board should leverage or expand the Basis for Conclusions and develop more Illustrative Examples to help improve the understanding of the requirements in the IFRS Standards.
- 55 One regulator broadly supported the IASB's current level of focus on the main activities. However, noted that the category 'new IFRS Standards and major amendments' should not be substantially reduced. In addition, they recommended a slight shift towards increased maintenance and consistent application of IFRS Standards.

IFRS taxonomy

- 56 An association of accountants supported the IASB's current level of focus (5%) dedicated to developing and maintaining the IFRS Taxonomy. They added that digital-friendly approaches to consultations, as part of activity 'engaging with stakeholders' within the current level of focus of 20% - 25%, could allow the IASB to expand its stakeholder engagement without a corresponding increase in resources.
- 57 A preparer organisation and a national standard setter supported the increase on digital reporting as suggested by EFRAG.

To undertake any other activities within the current scope of work

- 58 Three respondents (an accountant and audit organisation, two national standard setters) strongly supported the International Sustainability Standards Board (ISSB) and IASB to interact and coordinate to ensure interconnected standard-setting. Two of them (an accountant and audit organisation and a national standard setter) mention in particular coordinating on the Management Commentary project as well as in future IASB projects such as:

- (a) sustainability in IFRS standards
- (b) going concern, and
- (c) intangible assets

- 59 Another national standard setter noted that priority should be given to the formation of the ISSB and the development of IFRS Sustainability Standards by allocating a large portion of the Foundation's resources to this task. The respondent also commented on the increasing activity and role of the IFRIC noting the challenges due to growing demand from auditors and enforcers to provide guidance in particular on accounting regulatory issues. The respondent recommended to achieve a long-term balance between the principle-based approach and the growing demands from the institutional environment.
- 60 One accountant and audit organisation suggested that the connectivity between financial reporting and sustainability reporting should be identified as an additional and separate area of activity of the IASB.
- 61 One national standard setter identified two activities not being comprised yet by one of the six areas of activities mentioned in the RFI. Firstly, "cross-cutting issues" – ie. issues or aspects affecting different financial reporting projects and interaction of standards – deserve being reflected as an additional activity. Secondly, the "interconnectivity" between financial reporting issues and sustainability reporting issues could warrant another additional activity.

Other comments

- 62 One accountant and audit organisation suggested to increase the activity of improving understandability and accessibility of the standards as part of ‘maintaining IFRS Standards and supporting their consistent application’. Another respondent supported the focus on this activity rather than on new major projects.
- 63 One association of users noted that the IASB should at least continue with the current level of stakeholder engagement. The respondent assessed the IASB’s participation in meetings with investors and analysts to be very productive.
- 64 One preparer organisation suggested EFRAG to add in paragraph 13 of its draft response that the capacity to react would have to be in line with what the IASB did during the Covid-19 crisis.
- 65 One national standard setter noted that the interaction between the IFRS Interpretations Committee and the Board could be improved (for example, it is unclear why the Board has not yet made any decision in relation to the matter of sale and leaseback of an asset in a single-asset entity). They also encourage the Committee to:
- (a) better explain the work it decides to make on a request, in particular when it decides not to consider a request. There is a perception that the Committee happens to be inconsistent in its way of dealing with requests or unclear about its decision to perform outreach (most notably for request related to new IFRS Standards).
 - (b) consider some urgent matters brought forward by stakeholders in a more timely manner.
 - (c) step back from the technical analysis it derives from the requirements in exiting IFRS Standards and assess, before finalising an agenda decision, whether such an analysis results in useful information.
- 66 One preparer organisation expressed their concern about the high level of activity involving the IFRS Interpretations Committee. The filtering process for IFRIC issues or the premature issuance of IFRS standards may be the cause of such an increase. Therefore, they suggested the IFRS Foundation to assess how the process of developing the standards may be improved in this area.
- 67 This organisation was also concerned about how agenda decisions are interpreted. They had heard that agenda decisions raise questions between preparers and auditors about how to interpret them. This may be an indication that agenda decisions are not drafted in such a way that they fulfil their purpose. They noted that a review of the work of the IFRS Interpretations Committee should be performed to assess both whether resources are well spent and to what extent agenda decisions help stakeholders in their interpretation of IFRS standards.
- 68 One regulator highlighted that digital consumption of financial information leveraging on the IFRS Taxonomy is expected to increase in coming years and that new needs and trends could arise from implementation experience and / or regulatory developments. The respondent encourages the IASB to monitor developments linked to the digital reporting and recommends adopting a more flexible approach, enabling the Board to respond, if needed, to such developments.

Inputs from the survey

- 69 Respondents to the survey selected whether the IASB’s activities should be increased, leave unchanged or decreased. 4 out of 5 respondents selected that the level of activity on ‘New IFRS Standards and major amendments to IFRS Standards’ should decrease and 3 out of 5 respondents selected that level of activity on ‘Understandability and accessibility of the Standard’ should increase.

- 70 Respondents to the survey provided the following additional comments:
- (a) Period of calm is needed from major new Standards so that focus on PIRs and identified issues can be increased. (an accounting and audit organisation)
 - (b) Generally, no difference between SMEs and other sized businesses, therefore the IFRS should apply to all businesses with a materiality overlay. (a preparer organisation)
 - (c) For accessibility and understandability focus should be on well informed users and not only professional accountants. (a preparer organisation)
 - (d) As capital markets move towards sustainable investments corporate reporting should increase stakeholder engagement as to foresee how the new reporting landscape can be met. (a user organisation)
 - (e) Increase the support given to national standard-setters. (a national standard setter)

EFRAG Secretariat's recommendations to EFRAG TEG on EFRAG's proposed final position

- 71 Considering the comments received the EFRAG Secretariat proposes:
- (a) To suggest the IASB to spend more time on maintenance and improving the understandability of standards and less time on new IFRS projects;
 - (b) To refer to the PIR of IFRS 17 explicitly.
- 72 The EFRAG Secretariat has considered the suggestion to consider PIRs on a need-be basis. This suggestion was not retained because this would remove the possibility to reconsider issues that have been raised during the development of the standard (the first phase of a PIR). Also, it is not so that a PIR automatically leads to standard setting, so the EFRAG Secretariat considers that the "need-to" basis is included in the current process.

Question 2 – Criteria for assessing the priority of financial reporting issues that could be added to the Board's work plan

Paragraph 21 discusses the criteria the Board proposes to continue using when assessing the priority of financial reporting issues that could be added to its work plan.

- (a) Do you think the Board has identified the right criteria to use? Why or why not?
- (b) Should the Board consider any other criteria? If so, what additional criteria should be considered and why?

Proposals in the ED

- 73 *The following criteria are considered by the IASB when deciding whether to add a potential project to its work plan:*
- (a) *The importance of the matter to investors;*
 - (b) *Whether there is any deficiency in the way companies report the type or transaction or activity in financial reports;*
 - (c) *The type of companies that the matter is likely to affect, including whether the matter is more prevalent in some jurisdictions than others;*
 - (d) *How pervasive or acute the matter is likely to be for companies;*
 - (e) *The potential project's interaction with other projects on the work plan;*
 - (f) *The complexity and feasibility of the potential project and its solutions; and*

- (g) *The capacity of the IASB and its stakeholders to make timely progress on the potential project.*

74 *In addition to the primary criteria listed above, the IASB also considers the work streams of other major standard-setters.*

EFRAG's tentative position

EFRAG considers the four criteria contained in the Due Process handbook are appropriate when deciding whether to add a potential project to its work plan.

However, EFRAG observes that, in addition to these four criteria, the IASB has developed and used three additional criteria of its own (the last three in the RFI list) as it considered them to be practical.

Although EFRAG considers that additional practical criteria may be useful to identify relevant projects, we are concerned about this situation as these additional criteria were never submitted to proper due process. We observe that the last consultation of the IFRS Due Process Handbook, which took place in 2018, provided a missed opportunity to ask respondents as to whether additional criteria should be introduced.

We therefore suggest for the sake of transparency to:

- (a) Give precedence, in selecting projects, to the 'official' criteria as contained in the Due Process Handbook; and
- (b) Consider whether these additional criteria could be considered for the inclusion into the Due Process Handbook as part of the next consultation that will be conducted on this document.

In addition to the criteria identified by the IASB, EFRAG also suggests considering a number of secondary additional factors, in particular the use of non-GAAP information and whether evidence of structuring opportunities exists and needs to be addressed.

Finally, as mentioned already in EFRAG's comment letter in response to the IASB's 2015 Agenda Consultation, it is not always obvious how the IASB applied these criteria for specific projects in defining its work plan. While EFRAG does not advocate the introduction of a formalised assessment, an explanation of how the IASB assesses and reconsiders priorities would be helpful.

Summary of respondents' comments

Criteria

75 Five respondents to EFRAG's online survey and nine respondents providing a comment letter agreed with the proposed seven criteria proposed by the IASB to use when assessing the priority of financial reporting issues that could be added to the workplan. One national standard setter disagreed.

Ranking of criteria

76 At the 9 September 2021 outreach event, participants rated which of the seven criteria were considered most important. The most important criteria were considered to be:

- (a) Whether there is any deficiency in the way companies report the type or transaction or activity in financial reports;
- (b) How pervasive or acute the matter is likely to be for companies; and
- (c) The importance of the matter to investors.

77 All of these criteria are currently included in the Due Process Handbook.

78 The least important criteria were considered to be:

- (a) The complexity and feasibility of the potential project and its solutions;
- (b) The capacity of the IASB and its stakeholders to make timely progress on the potential project;
- (c) The type of companies that the matter is likely to affect, including whether the matter is more prevalent in some jurisdictions than others; and
- (d) The potential project's interaction with other projects on the work plan.

79 Except for (c) these were all additional criteria added in addition to those included in the Due Process Handbook.

80 In line with this, one standard setter suggested the IASB to consider whether some ranking would need to be applied between the criteria. The first four criteria could rank as the primary criteria and the three other as secondary.

81 Similarly, an association of users agreeing with the proposed seven criteria thought that the first three criteria, and perhaps the fifth, were the most important criteria. The fifth criterion was considered important as, for example, once the project *Primary Financial Statements* is completed it is going to influence other standards such as operating segments and statements of cash flows.

82 An association of preparers noted that the priority of any project should primarily be driven by its relevance and urgency for the stakeholders.

83 Contrary to these comments, one national standard setter thought that the 'capacity of the IASB and its stakeholders' criterion should be given more importance.

84 In relation to the three additional criteria, one regulator noted that their use is not disallowed by the Due Process Handbook.

Amending the Due Process Handbook

85 Four respondents to EFRAG's online survey agreed with the preliminary EFRAG view expressed in the consultation document that when selecting projects, precedence should be given to the 'official' criteria included in the Due Process Handbook. The additional criteria could be considered for inclusion in the Due Process Handbook as part of the next consultation. A similar view was expressed by a national standard setter in a comment letter received. The standard setter noted that the IASB should use the four criteria included in the Due Process Handbook for selecting the projects for its work agenda and then consider updating the Due Process Handbook for the additional criteria.

86 In five other comment letters, respondents suggested the IASB to add the additional 'practical' criteria to the Handbook in its next revision to ensure these additional criteria would go through the appropriate consultation and due process. Contrary to the national standard setter referred to above, these respondents might not oppose to the IASB making use of the additional 'practical' criteria in this agenda consultation. One of the respondents, a standard setter further noted that the criterion referring to 'the capacity of the IASB and its stakeholders to make timely progress on the potential project' could only be assessed as a second step – as the capacity of the IASB and its stakeholders would depend on the other projects the IASB would consider. In addition, the criteria should also apply to current projects as they could turn out to become more complex or complicated – and should therefore be put on hold or stopped to give priority to more important projects.

87 One standard setter noted that while not disagreeing with adding three additional criteria, the IASB should clarify the apparent misalignment between the Request for Information and the Due Process Handbook.

88 One regulator generally agreed with the criteria the IASB has identified. The respondent recommends that criteria number 2 also covers "diversity in practice" related to the way companies report. Furthermore, the respondent suggests that

additional explanation is provided as to how criteria number 3 (“The type of companies that the matter is likely to affect, including whether the matter is more prevalent in some jurisdictions than others”) affects the decision process.

- 89 Two respondents to the online survey explicitly disagreed with EFRAG’s preliminary view to primarily consider the four criteria included in the Due Process Handbook. One of these respondents, a user commented that the additional three criteria seem to be a pragmatic way to filter potential projects reflecting reality. The user acknowledged that if there would be diversity in practice and it would be highly material for investors then ‘complexity’ should not be an excuse not to include a project on the workplan. However, all the factors should be considered to find and reach a conclusion.

EFRAG’s additional factors

- 90 Five respondents to EFRAG’s online survey agreed with the two additional factors suggested by EFRAG in its consultation document. One respondent to the online survey, an association of users disagreed. This respondent assessed that the two additional criteria suggested by EFRAG would be covered by the criteria suggested by the IASB. For example, the use of non-GAAP information would point to a deficiency in the way companies report the type of transaction or activity in financial reports.

Other factors to consider

- 91 Two respondents thought that the group of users to be considered in the criterion ‘the importance of the matter to investors’ should be broader than ‘investors’. One of the respondents, a standard setter thought that it should also include other stakeholders such as preparers, regulators and auditors. The other respondent, and association of accountants thought that it should include other financial stakeholder such as creditors or credit rating agencies.

- 92 One preparer organisation noted that the IASB should be very thorough in presenting the cost/benefit assessment of a project before adding it to its work programme. They opined that the cost/benefit analyses that accompany many of the standard-setting projects are sometimes more of a “pro-forma” justification of the project rather than a convincing justification of the conclusions reached.

- 93 In response to the remark in EFRAG’s consultation document that

it is not always obvious how the IASB applied these criteria for specific projects in defining its work plan. While EFRAG does not advocate the introduction of a formalised assessment, an explanation of how the IASB assesses and reconsiders priorities (in particular in situation in which where some but not all of the criteria are met) would be helpful.

One preparer organisation noted that the IASB’s discussion of potential projects take place in public meetings, so stakeholders can listen to these discussions to understand how the IASB apply these criteria. An association of accountants however, similar to EFRAG, encouraged the IASB to adopt an informal practice and provide explanations on how its criteria are being applied and met when defining its workplan.

- 94 One respondent made the following comments:

- (a) the interest of preparers – being an important stakeholder group – should be more in the focus of standard setting; and
- (b) the cost-benefit relation of any standard setting is crucial.

- 95 The cost-benefit relation of standard setting was also mentioned by other respondents in relation to Question 4 (see below).

EFRAG Secretariat's recommendations to EFRAG TEG on EFRAG's proposed final position

- 96 The EFRAG Secretariat notes that respondents generally found the seven criteria suggested by the IASB to be useful when selecting projects for the IASB's agenda. However, the EFRAG Secretariat also notes that the criteria the IASB has developed in addition to those included in the Due Process Handbook are generally considered to be less important than the criteria included in the Due Process Handbook by a significant proportion of the respondents to EFRAG's consultation (including those providing their views on this topic at the 9 September 2021 outreach event).
- 97 The EFRAG Secretariat accordingly considers amending EFRAG's response on this issue. EFRAG's comment letter would thus start by acknowledging that all the suggested criteria could be useful, but that the additional criteria perhaps should be considered secondary to the criteria included in the Due Process Handbook. EFRAG's comment letter would state that it is not clear to EFRAG why additional criteria than those in the Due Process Handbook have been added and that EFRAG would recommend the IASB to consider whether the additional criteria should be added to the Due Process Handbook. The comment letter would also state that EFRAG thinks that the IASB should explain why it suggests only considering 'investors' when deciding whether to add a potential project to the IASB's workplan instead of 'those who use financial reports' as stated in the Due Process Handbook.
- 98 The EFRAG Secretariat notes that some respondents supported the additional factors suggested by EFRAG in its consultation document when to prioritise financial reporting issues:
- (a) Whether the proliferation of non-GAAP measures is indicative of the fact that some Standards are not considered to reflect the economic reality of transactions.
 - (b) Whether evidence of restructuring opportunities exists to achieve an accounting outcome.
- 99 However, the EFRAG Secretariat also had some sympathy for the argument of one of one respondent, which was also included in EFRAG's consultation document, that these additional factors could be covered by the current criterion: 'Whether there is any deficiency in the way companies report the type of transaction or activity in financial reports'. The EFRAG Secretariat accordingly suggests to amend/clarify EFRAG's comment letter to suggest that the IASB should consider whether the factors can be used to assess, among other factors, whether there is a significant deficiency in the way companies report a transaction or activity in financial reports.

Question 3 – Financial reporting issues that could be added to the Board’s work plan

Paragraphs 24–28 provide an overview of financial reporting issues that could be added to the Board’s work plan.

(a) What priority would you give each of the potential projects described in Appendix B—high, medium or low—considering the Board’s capacity to add financial reporting issues to its work plan for 2022 to 2026 (see paragraphs 27–28)? If you have no opinion, please say so.

Please provide information that explains your prioritisation and whether your prioritisation refers to all or only some aspects of the potential projects. The Board is particularly interested in explanations for potential projects that you rate a high or low priority.

(b) Should the Board add any financial reporting issues not described in Appendix B to its work plan for 2022 to 2026? You can suggest as many issues as you consider necessary taking into consideration the Board’s capacity to add financial reporting issues to its work plan for 2022 to 2026 (see paragraphs 27–28). To help the Board analyse the feedback, when possible, please explain:

(i) the nature of the issue; and

(ii) why you think the issue is important.

Proposals in the ED

100 *The RFI seeks feedback on which financial reporting issues the IASB could add to its work plan for 2022 to 2026 that would result in new IFRS Standards or major amendments to IFRS Standards.*

101 *In preparation of this agenda consultation, the IASB has conducted outreach to identify potential projects to describe in the RFI. Appendix B of the RFI lists these identified potential projects and Appendix C of the RFI lists financial reporting issues suggested by only a few stakeholders, which are not described in detail in the RFI.*

102 *Appendix B of the RFI also includes some projects that arose from the 2015 Agenda Consultation but have not been started yet (PIR of IFRS 5, Inflation, Pollutant pricing mechanisms and Variable and contingent consideration).*

103 *EFRAG has tentatively identified a number of projects with high priority and is seeking the views of respondents on both the project priority assignment and the proposed scope for the project. EFRAG will consider the feedback received from respondents in forming its final recommendation to the IASB (a reduced number of projects from Attachment A or other suggestions by respondents will be considered).*

EFRAG's tentative position

EFRAG provides in Attachment A to this letter its assessment of all the high priority projects which are also identified in the RFI (subject to the considerations contained in our response to the first question about the priority to be given to the execution of the current active work plan and the planned PIRs). In addition, EFRAG has identified a number of other projects not in the IASB's RFI on which it will seek the views of its respondents.

Overall, EFRAG has tentatively identified a total of 13 projects with high priority; of which six are assessed to have the highest priority for the IASB's Agenda (all contained in the IASB's RFI but for two EFRAG suggests a broader scope). Furthermore, EFRAG provides in Attachment B its assessment of the priority on the other projects identified in the RFI that have been assessed to have medium or low priorities.

Summary of respondents' comments

Suggested priorities to projects

104 The following table provides an overview of the priorities assigned by respondents. The table indicates whether the responses are provided through comment letter or through the survey. Projects that received the highest priority are: intangible assets, crypto assets/liabilities, climate-related risks, discontinued operations and disposal groups, statement of cash flows and variable and contingent consideration.

Projects	Priority High		Priority Medium		Priority Low	
	Letters	Survey	Letters	Survey	Letters	Survey
Borrowing costs		1			6	4
Climate related risks (part of sustainability) (includes climate related disclosures and pollutant pricing mechanisms)	10	5	2			2
Commodity transactions	1	2	2		3	3
Crypto assets/liabilities	9	3	3			2
Digital reporting	1	3				3
Discontinued operations and disposal groups	6	3	4		1	2
Discount rates	2	2	4		2	3
Dynamic risk management other than for interest rate by banks	1					4
Employee benefits	2		1		4	4
Equity method of accounting	1					
Expenses – inventory and cost of sales		2	1		5	2
Foreign currencies			1		5	4
Going concern	3		3		2	4
Government grants	1	1	4		2	3
Income taxes			4		3	4
Inflation					7	4

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Projects	Priority High		Priority Medium		Priority Low	
	Letters	Survey	Letters	Survey	Letters	Survey
Intangible assets	14	4				1
Interim financial reporting	1	1	1		6	3
NCI puts	1					
Negative interest rates		1	5		1	3
Operating segments	1	3	5		2	1
Other comprehensive income	1	1	2		3	3
Pollutant pricing mechanisms ¹	4	2	2		1	2
Separate financial statements		2	2		4	2
Statement of cash flows	5	4	1		3	1
Supply chain financing (including reverse factoring)	2				1	4
Variable and contingent consideration	5	3	3		1	2

Adding new financial reporting issues

- 105 Three respondents (an accountant and audit organisation, a user organisation and a preparer organisation) supported that the IASB firstly finalises the projects currently in its workplan. One of them (a user organisation) thought that particularly the projects on primary financial statements and goodwill and impairment were important projects that should be on the top of the list.
- 106 Two respondents (preparer organisation, national standard setter) noted that the list of topics should be carefully reviewed and narrowed down further. From the perspective of one of them (preparer organisation), there is a need and the potential to significantly shorten the list of 13 priority projects in Attachment^oA.
- 107 One national standard setter noted there is few capacity left for new issues because of unaccomplished projects from the current work plan, supplemented by required PIRs and time-sensitive “follow-up” projects. In addition, they suggest to consider to abandon some projects such as dynamic risk management, financial instruments with characteristics of equity and equity method.
- 108 One accountant and audit organisations suggested to plan the PIRs on a need basis and to hand over the Management Commentary project to the ISSB as soon it is set up. The idea of introducing changes when need was also supported by another respondent (user organisation).
- 109 One national standard setter noted that it would be preferable if the IASB separated the ‘highest priority’ projects into ‘new projects’ and ‘maintenance. It would avoid that the discussion of priority may become rather more of a discussion between ‘new’ and ‘maintenance’, instead of a discussion about which projects should be prioritized.
- 110 One preparer organisation noted that any project planning at IASB level should not reduce the Board’s capacity to react swiftly to emerging issues when necessary. It

¹ The project Pollutant Pricing Mechanisms is part of the project on Climate-related risks and sustainability.

also suggested the IASB to use the outcome of EFRAG's research initiatives on Crypto-assets and Intangible as the basis for its work.

- 111 One national standard setter suggested the following issues as potential new projects:
- (a) Financial ratios/Non-GAAP measures as part (or follow-up) of the broader (current) project of "General Presentation".
 - (b) Review of IAS 36.
- 112 One national standard setter highlighted that Goodwill and Impairment should be given the highest priority.
- 113 One preparer organisation supported the intention to perform the post-implementation reviews included in the IASB's RFI.
- 114 Respondents to the survey selected whether they agreed with the prioritisation and scope of the project or whether they disagreed either with the prioritisation or with the scope. Summary of respondents selection is included in paragraph 104 above.
- 115 Respondents to the survey provided the following comments:
- 116 Four respondents agreed (to the EFRAG proposal to focus more on projects already active, PIRs of large standards and undertaking standard setting when necessary) and provided the following comments:
- (a) Companies value maintenance and clarification work over new Standards; (an accounting and audit organisation)
 - (b) The expanded scope for sustainability reporting will also ensure that the IASB will have the capacity to maintain alignment with the future work of the ISSB when it starts to move beyond its initial focus on climate. Given the inherent complexity, first the key areas of sustainability-related risks needs to be identified that are already captured within the current IFRS Standards before considering to introduce a new standard or making a significant change to existing standards; and (preparer organisation)
 - (c) The two additional projects (digitalisation and connecting financial and sustainability reporting) are also on the political agenda within the European Union (user organisation).
- 117 One user commented that major projects will still be needed and a review of the Financial Statements is needed, in particular the Cash Flow Statement, which could well be considered a major project.
- 118 Another respondent (preparer organisation) had a neutral view, neither agreed nor disagreed.

Main comments per individual project

Sustainability in IFRS standards

- 119 One accountant and audit organisation suggested the IASB undertake a large project to ensure that financial reporting requirements are fit for purpose. This project would:
- (a) screen current IFRS standards to understand where/how sustainability factors should be taken into account in existing judgments, estimates and measurements;
 - (b) ensure current requirements in various IFRS standards are applied considering sustainability factors;
 - (c) complement existing IFRS standards with additional requirements to address these topics and provide additional IFRS sustainability-related disclosures;

- (d) develop additional requirements in IFRS to address pollutant pricing mechanisms.
- 120 Another national standard setter considers that the IASB should take a comprehensive approach in addressing sustainability topics in financial reporting analysing current IFRS Standards with sustainability factors.
- 121 IFRS standards should adequately capture the effects of environmental, social and governance (ESG) factors on financial reporting. Any additional disclosures as a result of this project would not be disclosures material to enterprise value, which are under the remit of the ISSB.
- 122 One accountant and audit organisation noted the IASB's educational material on climate-related matters already highlighted how climate matters may be material to judgements and estimates management has made in applying the current provisions of IFRS standards. In addition to the referred standards in this material, climate considerations may be extended to:
- (a) IFRS 15 with respect to measurement and disclosures (e.g. contract modifications),
 - (b) IAS 40 Investment Property, IAS 41 Agriculture, IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (IFRS 5), IFRS 6 Exploration for and Evaluation of Mineral Resources under the fair value measurement and impairment considerations as per the IASB's educational material.
- 123 One accountant and audit organisation supported EFRAG's call for a more ambitious project on climate-related financial implications than the proposals in the RFI. This project would address more holistically the connectivity between IFRS Standards and sustainability reporting. The project could be combined with the IASB's envisaged project on Pollutant Pricing Mechanisms.
- 124 Two national standard setters supported a project on interconnectivity between financial and sustainability reporting. According to par. B9 of appendix B of IASB's RFI, it is important to disclose and account for (when applicable) related climate risks in financial statements.
- 125 One national standard setter provided as a reason for attaching a medium priority to a project on climate-related risks that the ISSB first needed to develop its standards before a project to avoid 'double-reporting'.
- 126 One preparer organisation noted that a project aiming at connecting financial and non-financial reporting would provide companies with an incentive to embrace sustainable business models. It suggested that both EFRAG and the IASB should develop this project in an aligned way. However, it further suggested a separate project on the effects of climate-related risks to financial reporting. In addition to the issues included in paragraph B11 (a) and (b) of the IASB's RFI, the project could aim at providing guidance to entities about how spreads and sustainability components that are incorporated in determining the interest rate of credit operations should be analysed.
- 127 One national standard setter noted this project would include (i) the scope of work of the project 'climate-related risks' described in paragraph B8–B11 of the RFI and (ii) social and governance matters to capture all aspects of sustainability. They suggested the Board could explore developing a new IFRS Standard the approach of which could be similar to the one underpinning IFRS 7 Financial Instruments Disclosures but applied to risks (and even opportunities) related to sustainability.
- 128 Two preparer organisations and one national standard setter considered climate related risks with a scope as included in the IASB's RFI to be a high priority project.
- 129 One preparer organisation noted that with the increasing global focus on climate change, sustainable investments, quotas and pollution credit trading schemes, the

development of clear accounting methods for climate-related risks and pollutant pricing mechanisms will become more pressing. Therefore, they suggested the IASB to analyse the developments in this area to be able to identify those topics which are likely to become an issue.

Cash flow statement

- 130 One national standard setter was unaware of evidence suggesting a major revision to the structure or content of the statement of cash flows is needed or even expected by users. However, they note there is a need to make improvements to that statement, most notably about:
- (a) how it reconciles with other primary financial statements,
 - (b) the definition (and boundaries) of cash and cash equivalents,
 - (c) the reporting of non-cash transactions, and
 - (d) how an entity should report the effects of supplier financing arrangements.
- 131 They also suggest the Board consider whether to remove the requirement for financial institutions to produce a statement of cash flows in accordance with IAS 7 Statement of Cash Flows.

Commodity transactions

- 132 One national standard setter provided as a reason for attaching a low priority to the project that there was a high risk of unintended consequences of additional guidance on this topic.
- 133 One preparer organisation supported a project on commodity transactions. This project could:
- (a) Establish a guide to define the classification and how these assets should be register and measurer.
 - (b) Establish the accounting treatment that must be applied to certain commodities by those entities that only participate as depositaries but not as holders.
 - (c) Define the accounting approach for financial operations whose underlying asset is a commodity such as loans in cryptocurrencies or emission allowances, treatment of derivatives on commodities financial instruments referenced to the evolution of certain commodities and their impact on the SPPI test.
 - (d) Determine the possibility of formalizing accounting hedges on certain commodities and if these can be considered as hedging elements under certain assumptions.

Cryptocurrencies and related transactions

- 134 One national standard setter encouraged the Board to undertake:
- (a) the development of educational materials as part of its maintenance and consistent application activities—this would help stakeholders to walk through and identify the applicable requirements,
 - (b) the assessment of whether the applicable requirements are adequate ie whether they provide with useful information.
- 135 One accountant and audit organisation noted the IASB should consider the results from the feedback to EFRAG's Discussion Paper on the Accounting for Crypto-Assets (Liabilities) in tackling cryptos and related transactions. Depending on the results of the project and, if applicable, the IASB could also address crypto

assets/liabilities under the scope of the comprehensive review of IAS 38, or by considering the results of the IFRS 9 PIR.

- 136 Two respondents (accountant and audit organisation and preparer organisation) suggested the IASB to consider the accounting alternatives explored in EFRAG's Discussion Paper. It also suggested broadening the scope to crypto-assets (liabilities), not just cryptocurrencies.
- 137 One national standard setter considers that the priority to be assigned to this project depends on the developments, including its use as substitution for common currencies and its regulation. It expressed the view that at the moment there is no urgency to develop a new project, but given the rapid changes crypto assets may face, it suggests the IASB to continue to closely monitor developments in this area. Nevertheless, high level guidance would be useful as well as its possible interaction with the 'Statement of Cash Flow' project.
- 138 One national standard setter provided as a reason for attaching a high priority to this topic that the current requirements do not apply to all existing or future crypto assets.
- 139 One user organisation supporting this project noted that it should be considered as a research project before going for discussion to the IASB.

Discount rates

- 140 One national standard setter that attached a medium priority to the project, suggested a selected amendments in order to finalise the project in a timely manner. The selected issues should include the use of pre-tax and post-tax rates in IAS 36 and whether to reflect own credit risk (IAS 37 versus IFRS 13).
- 141 One preparer organisation considered that a review of the use of discount rates across the whole set of IFRSs is necessary.

Equity method of accounting

- 142 A preparer organisation noted that there are areas of equity accounting which need to be reconsidered, such as, for example:
- (a) Impairment methodology.
 - (b) Reclassification of items recognized in OCI when an investment is classified as held for sale is not sound.

Going concern

- 143 An accountant and audit organisation noted IFRS standards should be more ambitious when addressing going concern. We noted that there is very limited guidance (two paragraphs) in IAS 1 Presentation of Financial Statements (IAS 1) on assessing and reporting on the risks to a company's ability to continue as a going concern. In contrast, auditing standards devote an entire standard to the subject (International Standard on Auditing (ISA) 570 Going Concern). Even though auditors are in the spotlight on this matter, particularly in the event of a corporate crisis, management should improve disclosures and provide more information in the notes on going concern. A standard-setter on the other hand thought that it would be difficult if not impossible to set a standard on the topic, except for extending disclosure requirements.
- 144 One accountant and audit organisation supported the RFI's project. However, it urges the IASB to review the duration of the look forward period. The period might be extended to 12 months from the date the financial statements are published.
- 145 Two national standard setters provided several reasons why going concern should be considered by the IASB as an active project. They noted ongoing discussions on going concern and its reporting consequences. These discussions were inflamed

by uncertainties related to the Covid-19 crisis and sustainability issues. Also, the transition to a green economy may create significant challenges to the resilience of some entities' business model. Therefore, we supported further guidance and alignment (for instance in IAS 1) on going concern.

Government grants

- 146 One national standard setter provided as a reason for attaching a high priority to this project that IAS 20 is one of the oldest standards and a complete revision is necessary with respect to its conceptual basis and its coverage of the diversity of existing and possible government grants.
- 147 One national standard setter suggested the Board to consider this project because:
- (a) the form of IAS 20: its structure is typical of 'old' IASC Standards and the wording is 'outdated'. The Standard mixes (i) requirements and (ii) observations that would rather be better positioned in Basis for Conclusions.
 - (b) the requirements in IAS 20: the Standard may be well operable when it comes to deal with simple assistance arrangements but the existing requirements often prove insufficiently clear to deal with more complex arrangements. The Standard's inconsistencies with the Conceptual Framework for Financial Reporting (most notably the 'matching approach' underpinning some requirements) together with the options permitted are its main shortcomings
 - (c) the interaction with IFRS 9: the ongoing interaction between IFRS 9 and paragraph 10A of IAS 20 is not clear. This interaction could be usefully investigated in the context of the PIR of IFRS 9

Hedge accounting for insurers

- 148 One preparer organisation noted that a project on hedge accounting for insurers should focus on how the existing practice for hedging strategies in the banking sector can be extended and applied to the insurance sector.

Income taxes

- 149 One national standard setter provided as a reason for attaching a medium priority to the project that IAS 12 is outdated and needs a stronger conceptual basis. However, it would likely only be possible to address small issues, such as changes in tax rates.

Intangible assets

- 150 One accountant and audit organisation suggested the IASB undertakes a comprehensive review of IAS 38 Intangible Assets (IAS 38), marked by the IASB as a large project to:
- (a) better reflect the ever-increasing importance of intangibles in today's business models, including addressing internally-generated intangible assets, by revising the definitions and capitalisation requirements of IAS 38;
 - (b) improve comparability between companies that grow organically with those that do so through acquisitions, by reconsidering the conditions for capitalisation. IFRS 3 Business Combinations (IFRS 3) allows recognising identifiable intangible assets from an acquisition, whilst such an option is currently not permitted under IAS 38 for (perhaps very similar) internally-generated intangible assets.
 - (c) address emerging types of transactions and assets, including emissions trading rights and crypto-assets (i.e. more broadly than just cryptocurrencies).
- 151 A national standard setter noted that the recognition criteria in IAS 38 does not fit the current project management approaches for internal development of intangible assets and fails to adequately reflect the value of software investments.

- 152 Another national standard setter was concerned with current guidance leaving much room for arbitrary judgement.
- 153 One preparer organisation noted that the current criteria for recognition of internally generated intangible assets is not up to date with current processes for developing such assets.
- 154 One national standard setter considers that the project should be added to the IASB's workplan in order to better reflect the importance of intangibles to improve comparability.
- 155 Two respondents (preparer organisation and national standard setter) supported a comprehensive review of IAS 38 because it does not adequately cover new trends (changes in the technology, diversity of payment methods...) causing lack of comparability as a result of the different accounting treatment between companies. They noted that the project could develop a consistent approach to reporting variable and contingent consideration that could be extensible to the rest of the Standards.
- 156 One preparer organisation suggested that the IASB undertake a fundamental review of intangibles accounting with the aim of determining whether current accounting models are still appropriate. They remarked that if the IASB should decide to pursue the principle of amortization of goodwill, the question of the separation or integration of goodwill and other intangibles would have to be considered once again.
- 157 One national standard setter observed this project has a clear interaction with a 'sustainability in financial reporting' project. As explained in paragraph 8(f) the PTF-NFRS report, 'intangibles are not reflected through financial reporting and are key to the development of businesses and to their processes of sustainable value creation. Mainstream ESG disclosures and intangible disclosures are complementary. The standard-setter should consider intangibles as a key dimension of sustainable business development and therefore of sustainability reporting'. The European Commission acknowledged the role of reporting on intangibles in sustainability reporting in its proposal for a Corporate Sustainability Reporting Directive.

NCI puts

- 158 One preparer organisation noted that there is still an issue on NCI puts as there are diverging views on whether changes in the redemption amount of NCI puts should be recognized in the P/L or in equity. While the IFRS IC has confirmed that both is possible for NCI puts, it has not done so for NCI forwards, although many of the economic characteristics are identical.

Operating segments

- 159 One respondent provided as a reason for giving a high priority to this project that a though review of IFRS 8 was due and need considering that (1) a breakdown should be more specific (2) interaction with the Management Commentary project and (3) interaction with the primary financial statements in the form of reconciliations.
- 160 One respondent provided as a reason for attaching a low priority to this project that IFRS 8 works reasonably well.
- 161 One respondent noted that the Primary Financial Statements project should be consistent with the requirements in IFRS 8. Therefore, it is important that during the development of this project the IASB takes into consideration any consequential amendment to IFRS 8.
- 162 One national standard setter noted the management approach underlying IFRS 8 Operating Segments does not sufficiently deliver relevant, comparable and consistent information. They think the Board should revisit the requirements in IFRS°8 along the following lines:

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- (a) requiring a reconciliation at segment level between non-GAAP management measures and IFRS information,
- (b) improving disclosures on the reconciliation between segment and consolidated profit or loss,
- (c) requiring a precise description of segments, and
- (d) improving the disclosures on changes in segment information.

Other comprehensive income

- 163 One national standard setter provided as a reason for attaching a medium priority to this project that OCI should be fundamentally overhauled, particularly the conceptual inconsistencies regarding different recycling requirements. However, the respondent anticipated little chance to resolve the issue in a general and timely manner.

Pollutant pricing mechanism

- 164 One national standard setter provided as a reason for attaching a medium priority to this project that more guidance would be helpful to mitigate potential diversity in practice.
- 165 One national standard setter thought the IASB should resume its work on this matter because diversity in practice has emerged while the number of sectors subject to the EU Emissions Trading Scheme has increased over time and is expected to increase further.

Discontinued operations and disposal groups

- 166 One national standard setter considered this project to be less important. It noted that most of IFRS 5 difficulties were discussed at the time the Standard was developed and do not seem to cause major problems in accounting practice.
- 167 One national standard setter provided as a reason for attaching a medium priority to the project that there were several practical issues related to IFRS 5.
- 168 One national standard setter supported it as a high priority project. It was concerned with the assessment of which transactions should be accounted for under the standard and with the application of the one-year rule.
- 169 One national standard setter suggested not to carry out a PIR as this would delay standard setting and it is unclear whether something new can be learned. Instead the Board should undertake a comprehensive review of IFRS 5 to address stakeholders' main concerns.
- 170 One preparer organisation noted that the arguments for a review of IFRS 5 are still valid and that this project should be given high priority. They put forward the following issues:
- (a) The scope of the presentation requirements of discontinued operations;
 - (b) Guidance on the presentation of discontinued operations;
 - (c) The characteristic of the notes disclosures requirements of IFRS 5; and
 - (d) The boundaries of disposal groups.

Statement of cash flows and related matters

- 171 Two respondents (an accountant and audit organisation and a national standard setter) suggested undertaking a comprehensive review of IAS 7. One of the respondents (an accountant and audit organisation) specified that the project should address current issues such as:

- (a) reconciliation between the statement of cash flows and other primary financial statements;
 - (b) supply chain financing arrangements (including reverse factoring);
 - (c) misalignments of definitions of and classifications in the 'investing' and 'financing' categories with those of the final proposals following IASB's Exposure Draft General Presentation and Disclosures (PFS ED) as well as definitions in IAS 7 more generally;
 - (d) presentation of the cash flow statement for financial institutions;
 - (e) other practical issues, including addressing restricted cash and enabling a better understanding of companies' liquidity situation.
- 172 One national standard setter noted that users of financial statements consider the alignment between classification of the cash flow statement (operating/financial) with the other elements in the financial statement to be unclear.
- 173 One national standard setter provided as a reason for attaching a low priority to this project that following the recent work on General Presentation and Disclosures, there seems to be little chance of pushing this topic further.
- Supply chain financing (including reverse factoring)
- 174 One accountant and audit organisation agreed with EFRAG that IFRS Standards do not provide specific guidance to address reverse factoring and other forms of supply chain financing. It supported further guidance and a project scope that goes beyond the one proposed in the RFI.

Variable and contingent consideration

- 175 One national standard setter provided as a reason for attaching a low priority to this project that it was not a pressing issue and could be dealt with by minor amendments to existing standards. Another national standard setter arguing that the project should have a high priority noted that application inconsistencies exist in this area. Two respondents (preparer organisation and national standard setter) noted that the project could develop a consistent approach to reporting variable and contingent consideration that could be extensible to the rest of the Standards. One preparer organisation considered this project to be of high importance. They expressed the view that the amended Conceptual Framework should provide the principles to deal with this by addressing the question of what the opposite side of the entry should be when there is a variation in a liability or an asset.

EFRAG Secretariat's recommendations to EFRAG TEG on EFRAG's proposed final position

- 176 Considering the comments received the EFRAG Secretariat proposes:
- (a) Incorporating the message there should be less new projects, hence reducing the number of high priority projects to six:
 - (i) Intangible assets;
 - (ii) Connecting financial and sustainability reporting, starting from climate (includes climate-related reporting and pollutant pricing mechanisms);
 - (iii) Crypto-assets and liabilities;
 - (iv) Discontinued operations and disposal groups;
 - (v) Statement of cash flows;
 - (vi) Variable and contingent consideration.
 - (b) To add that the IASB should have the capacity to maintain alignment with the future work of the ISSB when it starts to move beyond its initial focus on

climate. Given the inherent complexity, the IASB should identify whether key sustainability-related risks are already captured within the current IFRS Standards before considering the introduction of a new standard or a significant change to existing standards;

- (c) To cover the coordination of the IASB's and the ISSB's future activities for promoting connectivity between the IFRS Standards and the potential Sustainability Standards.
- (d) To update the reasonings for selecting the priority projects where necessary.

177 In addition to the above, it is noted that as part of the ongoing PIR IFRS 9 project, the EFRAG Secretariat has received the messages from constituents that the measurement of financial instruments which include an ESG feature (in particular whether these instruments pass the SPPP-test) is to be separated from the PIR-IFRS 9 workflow and should be considered as a priority.

Question 4 – Other comments

Do you have any other comments on the Board's activities and work plan?
Appendix A provides a summary of the Board's current work plan.

EFRAG's tentative position

EFRAG has no other comments on the IASB's activities and work plan.

Summary of respondents' comments

- 178 One respondent (preparer organisation) noted that the IFRS requirements remain principle-based and overall cost-effective for preparers. Two preparer organisations encouraged the IASB to thoroughly evaluate the costs of providing any additional disclosures against their potential benefits before undertaking any actions in this regard in any standard setting project under current or future consideration.
- 179 Two preparer organisations noted that digitalisation needs in the field of the financial reporting should not lead to technology driving the content of the standards while being properly considered along the standard setting process. One of those preparer organisations held the general view that where reasonable and justifiable the status quo should be maintained, i.e. support for a stable platform. On digitalisation an association one users considered that it was important for the IASB to stay informed of the developments and take part and supervise the final product. In addition, taxonomy should continue to be developed in parallel with drafting a standard. New standards should incorporate the corresponding matching taxonomy.
- 180 One national standard setter suggested that the IASB should consider, in the longer run, a comprehensive review of IFRS to review and align all existing standards.
- 181 One national standard setter recommend the works of standard-setters for financial and non-financial reporting be adequately phased to avoid 'bottlenecks' on stakeholders' side. They acknowledge this a new factor the Board would have to consider when setting its agenda but think it is essential to safeguard stakeholders' responsiveness to changes of the reporting landscape.

EFRAG Secretariat's recommendations to EFRAG TEG on EFRAG's proposed final position

182 No recommendations proposed.

Question 5 – EFRAG Question to respondents

In addition to your comments on EFRAG's tentative responses to the four questions contained in the IASB's RFI, we invite you to express your view on the tentative priority assignment presented by EFRAG in Attachment A.

- (a) Which are the 6 priority projects that the IASB should undertake as new projects for the period 2022-2026 (you may select from the two lists in Attachment A or suggest other projects)? If you suggest other projects, please specify the scope.
- (b) Regarding the suggested project on 'Connecting financial and sustainability reporting' (paragraphs 41 and following), do you consider that the consideration of climate-related financial implications should be part of that project or be addressed as a separate project?

Summary of respondents' comments

183 The answers received have been integrated with those to Question 3.

EFRAG Secretariat's recommendations to EFRAG TEG on EFRAG's proposed final position

184 Please refer to Question 3.

Question 6 – EFRAG Question to respondents

Do you agree that the most important projects for which EFRAG should perform proactive activities, would be those:

- (i) European respondents consider most important to address in relation to the IASB's agenda consultation (that is the projects listed in Attachment A (on page 18 above) and in Attachment B (on page 21 above); and/or
- (ii) Those projects that are considered important by European respondents and for which European input is particularly important.

If you do not agree, how should EFRAG select the projects for its proactive agenda?

Do you agree with the list of projects in paragraph 4(b) above that are particularly important to provide European input on? Do you agree with the list of projects in paragraph 4(b) above that are particularly important to provide European input on? If not, what four projects would you include on the list?

Do you agree that EFRAG should follow the procedure described in paragraphs 4–7 when selecting projects to be included on its proactive agenda? If not, why?

On average, what do you think the ratio between resources EFRAG spend on proactive work and reactive work should be?

Proposals in the ED

185 *EFRAG initially considers that its decision on which proactive projects to initiate, should be based mainly on:*

- (a) *European respondents' views on the importance of the various projects considered for the IASB's agenda consultation accompanying EFRAG's draft comment letter to the RFI and any additional projects suggested by respondents).*
- (b) *A short list of four projects which are considered important by European respondents and particularly suitable for an EFRAG proactive research project. These projects are:*
 - (i) *Connecting financial and sustainability reporting;*

- (ii) *Digital reporting;*
- (iii) *Segment reporting; and*
- (iv) *Supply chain financing.*

186 *In its consultation document, EFRAG suggested spending around 1/3 of its technical resources on proactive research projects.*

Summary of respondents' comments

187 Of the 16 comment letters received in time for inclusion in this comment letter analysis, nine included comments on EFRAG's proactive agenda consultation. In addition, one national standard setter has by email expressed preliminary support for the approach for proactive research activities included in EFRAG's consultation document.

Process for selecting projects for EFRAG's proactive research agenda

188 Six respondents agreed with the process suggested by EFRAG to select the most important projects for which EFRAG should perform proactive activities. As noted above, in addition one standard setter expressed preliminary support for the approach for proactive research included in EFRAG's consultation document.

189 One national standard setter encouraged EFRAG to learn about the impact of its research projects on various matters such as the IASB agenda, developments or publications. The aim would be to identify factors for successful proactive research.

190 One association of accountants also encouraged EFRAG to be cognisant of the trickle-down effect whereby national standard setters 'borrow' accounting treatment from full IFRS for use in national standards that are primarily directed at non-public accountable entities or SMEs. The respondent considered that the risk of trickle down might be added as an additional consideration when selecting projects.

191 One association of preparers explicitly supported EFRAG's intention to finalise the current research projects in the first instance, before starting the new proactive research activities.

192 One national standard setter noted that EFRAG should not necessarily consider the most important projects for the IASB's agenda as these could include quick solutions and EFRAG should consider more fundamental research-based projects that look into the future. Similarly, an association of accountants supported EFRAG to work on projects which the IASB is not itself actively engaged on. The respondent therefore considered that EFRAG should wait until the IASB has decided on its workplan before setting its own proactive agenda.

193 On the other hand, another national standard setter thought that if an issue would not be sufficiently important or urgent to be included on the IASB's workplan, this assessment would generally also apply for an EFRAG proactive research project (there should be a high hurdle for EFRAG to start its own project on such issues). The national standard setter also thought that while EFRAG could assist the IASB in collecting input from European constituents on projects that would be selected by the IASB, it should not initiate a concurrent proactive research project.

194 At the 9 September 2021 webinar, a panellist noted that which projects that could be chosen for EFRAG proactive research activities would not only depend on which projects, the IASB would include on its agenda, but also when the IASB would start working on a project included on its agenda. EFRAG would thus have sufficient time to prepare proactive research work for a project the IASB would not start considering immediately in 2022, but later in the 2022-2026 period.

Projects particularly useful for an EFRAG proactive research project

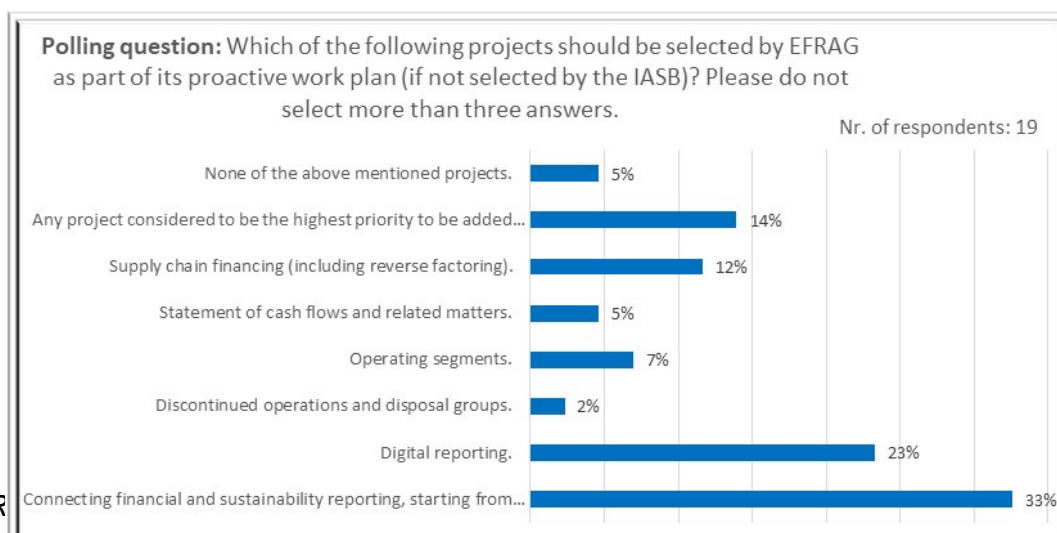
195 The number of respondents supporting a particular proactive research projects can be summarised as below (based on how many respondents supported the project):

	Outreach	Survey	Comment letters	Total
Number of respondents	19	6	10	35
Connecting financial and sustainability reporting	14	5	7	26
Digital reporting	10	4	5	19
Supply chain financing	5	3	3	11
Segment reporting	3	2	4	9
Statement of cash flows	2	1		3
Discontinued operations	1	1		2
Discount rate disclosures	n/a	1		1
Going concern	n/a		2	2
Other comprehensive income	n/a		1	1
Discounting	n/a		2	2
Deferred taxes	n/a		1	1
Special purpose financial statements	n/a		1	1
Employee benefits	n/a		1	1
Intangibles	n/a		1	1
Hedge accounting for insures	n/a		1	1

196 The input received from the various sources is explained further below.

Polling question at outreach event

197 At EFRAG's outreach event on 9 September 2021, respondents provided the following views to a polling question on which proactive research projects EFRAG should include on its agenda.



198 The results from this polling question seems to be relatively well aligned with the projects for EFRAG to consider mentioned by respondents through the online survey and through comment letters.

Results of online survey

199 Respondents to the survey selected whether they agreed with including the project on EFRAG's priority lists or whether they disagreed either with the inclusion of the project or with the scope. Summary of respondents selection is included in paragraph 195 above.

200 Five of the online survey respondents replying to the question in the online survey all supported a project on connecting financial and sustainability reporting.

201 Four of the online survey respondents agreed with including the project on digital reporting while one respondent, an association of users, thought it should be replaced with disclosures on discount rates or with cash flow statements.

202 Three of the online survey respondents supported a project on supply chain financing.

203 Two respondents agreed with considering a project on operating segments while one, a national standard setter, thought that this project should be replaced by a project on discontinued operations.

Summary of comments in comment letters

204 The project on connecting financial and sustainability reporting was also the project that received most support by respondents submitting a comment letter.

205 Three respondents supported the list of four projects that were considered in the EFRAG consultation document as particularly important to provide European input on. However one of these respondents, an association of accountants assigned special importance to the projects on 'Connecting financial and sustainability reporting, starting from climate-related financial implications' and 'Supply chain financing (including reverse factoring)'.

206 Another respondent, an association of preparers supported only the projects on 'Connecting financial and sustainability reporting, starting from climate-related financial implications' and 'Digital reporting'. In relation to the project on 'Digital reporting' the respondent noted that digitalisation should be considered along the standard-setting process but should not lead to technology driven content.

207 One respondent suggested that both EFRAG and the IASB should develop a project on 'Connecting financial and non-financial reporting in an aligned way. It further noticed that EFRAG should undertake the following projects:

(a) Discount rates: EFRAG could use previous research work on this topic to eliminate inconsistencies across IFRS Standards.

(b) Employee benefits:

208 An association of users particularly supported the projects on connecting financial and sustainability reporting, segment reporting and intangibles.

209 Although most respondents supported a project on connecting financial and sustainability reporting, two respondents noted that they did not support such projects. One of these was a national standard setter that considered that it would be too late to start such a project mid-2022 to be in line with the timetable of developing ESRS. The respondent instead suggested that EFRAG's proactive work should be on digital reporting and other comprehensive income, and if EFRAG would have additional resources: discounting in financial reporting; deferred taxes; and special purpose financial statements. The other respondent was an association

of accountants that considered the projects on sustainability and on supply chain finance to be less important as the IASB will likely take these up.

- 210 Two respondents suggested EFRAG to include a project on going concern either as part of its (reactive or) proactive agenda. One of these, an association of accountants suggested this project in addition to the four projects suggested in the consultation document while the other, a national standard setter only suggested that EFRAG should also work on connecting financial and sustainability reporting.
- 211 An association of preparers in the financial industry agreed that EFRAG should address the connectivity between financial and non-financial reporting. On the other hand, operating segments should be analysed together with the new standard on primary financial statements to achieve consistency. The respondent also noted that if the IASB would not include a project on hedge accounting for insurers, this should be addressed by EFRAG. Finally, the respondent suggested that EFRAG could tackle the following projects using information previously collected:
- (a) A project on discount rates in which EFRAG could use previous research work to eliminate variations in present value measurement techniques.
 - (b) A comprehensive review of IAS 19 *Employee benefits* that would effectively address the variety of plans that currently exist, and problems related to discounting.

Resources to be spent on EFRAG proactive research projects

- 212 All of the five respondents replying to EFRAG's consultation survey and two of the comment letters received thought that spending 1/3 of EFRAG's technical resources on proactive research projects seemed appropriate.
- 213 One respondent, an association of accountants considered that EFRAG's resources need to be increasingly directed towards proactive work in order to influence the IASB's agenda. On the other hand, two other respondents thought the 'one third' target resource allocation was ambitious. One of these, an association of accountants thought it might be too ambitious and suggested to cut it to one quarter. In addition, the respondent noted that the chairs and vice-chairs of the two (financial and sustainability) boards and of the two technical expert groups were expected to sit in one-another's meeting in order to ensure connectivity between financial and sustainability reporting. Therefore, EFRAG should also consider the resource needs to address connectivity as well before establishing the share of its resources for its proactive work. The other respondent, a national standard setter considering the 'one third' target to be ambitious thought that whether this could be achieved would depend on international developments including publications of the IASB.
- 214 One association of preparers recommended not to think in terms of a fix ratio when determining work plan priorities. Instead, the respondent asked for a permanent careful cost-benefit consideration from the perspective of the reporting entities. This should mean that standard-setting activities by the IASB via research activities by EFRAG should take into consideration the strategic idea of providing a stable platform for preparers.
- 215 An association of users supported EFRAG's initiative to develop proactive research and thought that given the need for a proper allocation of resources EFRAG should be focused on a maximum of three to four projects.

EFRAG Secretariat's preliminary observation to EFRAG TEG on EFRAG's proposed final position

Projects particularly useful for an EFRAG proactive research project

- 216 The EFRAG Secretariat notes that its consultations are not popularity polls. However, for EFRAG's proactive research agenda consultation, the number of respondents considering a given topic to be relevant should be taken into account.

As each response cannot be given equal weight as they can represent the view of a jurisdiction or an individual, it is difficult to 'count the votes'. However, the EFRAG Secretariat notes that a relative clear picture emerges from the various types of sources from which EFRAG has received input. That picture suggests that the topics initially included in EFRAG's consultation document are also the topics constituents consider most relevant for an EFRAG research project.

- 217 The EFRAG Secretariat accordingly suggest leaving this list unchanged.
- 218 On the comments in relation to connecting financial and sustainability reporting and supply chain financing that the IASB will consider these projects, the EFRAG Secretariat notes that whether, and if so when, the IASB would consider a project would be a factor that EFRAG will consider when deciding on which projects to include on its proactive research agenda. On the comment in relation to supply chain financing, the EFRAG Secretariat notes that the scope of project, the IASB has initiated is different from the project EFRAG would undertake on this issue.

Resources to be spent on EFRAG proactive research projects

- 219 While some respondents consider EFRAG should spend more resources on proactive research activities and other think less resources should be spent, most respondents seem to support the view that EFRAG should spend around 1/3 of its financial reporting technical resources on proactive research activities. The EFRAG Secretariat notes that the resources allocated to proactive research activities will always depend on the resources needed on other projects.

Appendix 2 – List of respondents

1 The following respondents responded to the consultation:

Respondent	Country	Type
Comment letters		
Accountancy Europe	Europe	Accountant and Audit organisation
European Federation of Accountants and Auditors for SMEs (EFAA)	Europe	Accountant and audit organisation
Swedish Financial Reporting Board (SFRB)	Sweden	National standard-setter
GDV	Germany	Preparer organisation
Dutch Accounting Standards Board (DASB)	Netherlands	National standard-setter
Insurance Europe	Europe	Preparer organisation
Austrian Financial Reporting and Auditing Committee (AFRAC)	Austria	National standard-setter
Swedish Enterprise Accounting Group (SEAG)	Sweden	Preparer organisation
Association of Chartered Certified Accountants (ACCA)	UK	Accountant organisation
Instituto de Contabilidad y Auditoria de Cuentas (ICAC)	Spain	National Standard-Setter
The European Federation of Financial Analysts Societies (EFFAS)	Europe	User organisation
ASCG	Germany	National Standard Setter
European Savings and Retail Banking Group (ESBG)	Europe	Preparer organisation
ANC	France	National Standard Setter
ESMA	Europe	Regulator
Draft 3	-	Preparer organisation
Survey results		
DASC	Denmark	Accountant and Audit organisation
CNC	Portugal	National Standard Setter
Jed Wrigley	UK	User
RVA consulting	Sweden	User

Third IASB Agenda Consultation and EFRAG Proactive Research Agenda

UK Shareholder Association	UK	Preparer organisation
Climate Disclosure Standards Board (CDSB)	Germany	Other
Anonymous	Germany	Other