

## DPOC monthly report January 2020

Dear DPOC Members,

The Board will meet week commencing 27 January. We draw your attention to the following papers:

- Agenda Paper 10: Reference to the Conceptual Framework (Amendments to IFRS 3)—Transition, effective date and due process;
- Agenda Paper 22: Provisions—Project proposal; and
- Agenda Paper 31: Subsidiaries that are SMEs—Project proposal – moving the project to the standard-setting programme.

### **Agenda Paper 10: Reference to the Conceptual Framework (Amendments to IFRS 3)—Transition, effective date and due process**

In December 2019, the Board tentatively decided to confirm the proposed amendments to IFRS 3 *Business Combinations* set out in its Exposure Draft *Reference to the Conceptual Framework*. The amendments update IFRS 3 so that it refers to the revised *Conceptual Framework* (issued in March 2018) without significantly changing its requirements.

At its January 2020 meeting, the Board will review the steps it has taken in developing the amendments and be asked to confirm that it has complied with the applicable due process requirements so that it can begin the balloting process for the amendments. The Board plans to issue the amendments in Q2 2020.

### **Agenda Paper 22: Provisions—Project proposal**

The Board has been undertaking a research project gathering evidence to help it decide whether to start a project to develop proposals to amend aspects of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

At its January 2020 meeting, the Board will be asked whether it agrees to add to its standard-setting programme a project to amend aspects of IAS 37 and, if so, what the scope of that project should be. The paper considers the criteria for adding a project to the standard-setting programme in paragraphs 5.4–5.7 of the *Due Process Handbook*.

The paper notes If the project is added to the standard-setting programme, then the Board will consider at a future meeting whether to publish a discussion paper before developing an exposure draft and whether to establish a consultative group for the project.

### **Agenda Paper 31: Subsidiaries that are SMEs—Project proposal – moving the project to the standard-setting programme**

The Board has been undertaking a research project assessing whether it would be feasible to permit subsidiaries that are SMEs to apply the recognition and measurement requirements of IFRS Standards and the disclosure requirements of the *IFRS for SMEs Standard*.

At its January 2020 meeting, the Board will be asked whether it agrees to move the project to its standard-setting programme, considering the criteria for adding a project to the standard-setting programme in paragraphs 5.4–5.7 of the *Due Process Handbook*.

If the project is added to the standard-setting programme, the staff recommend not establishing a consultative group for the project. The paper also notes that if the Board adds the project, it will be asked at a future meeting if it agrees that the next stage of the project is to develop an exposure draft rather than a discussion paper.

All papers discussed above are attached for you information.