2020 Agenda Consultation—
Developing the Request for Information

Emerging Economies Group
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The views expressed in this presentation are those of the presenter, not necessarily those of the International Accounting Standards Board or the IFRS Foundation.

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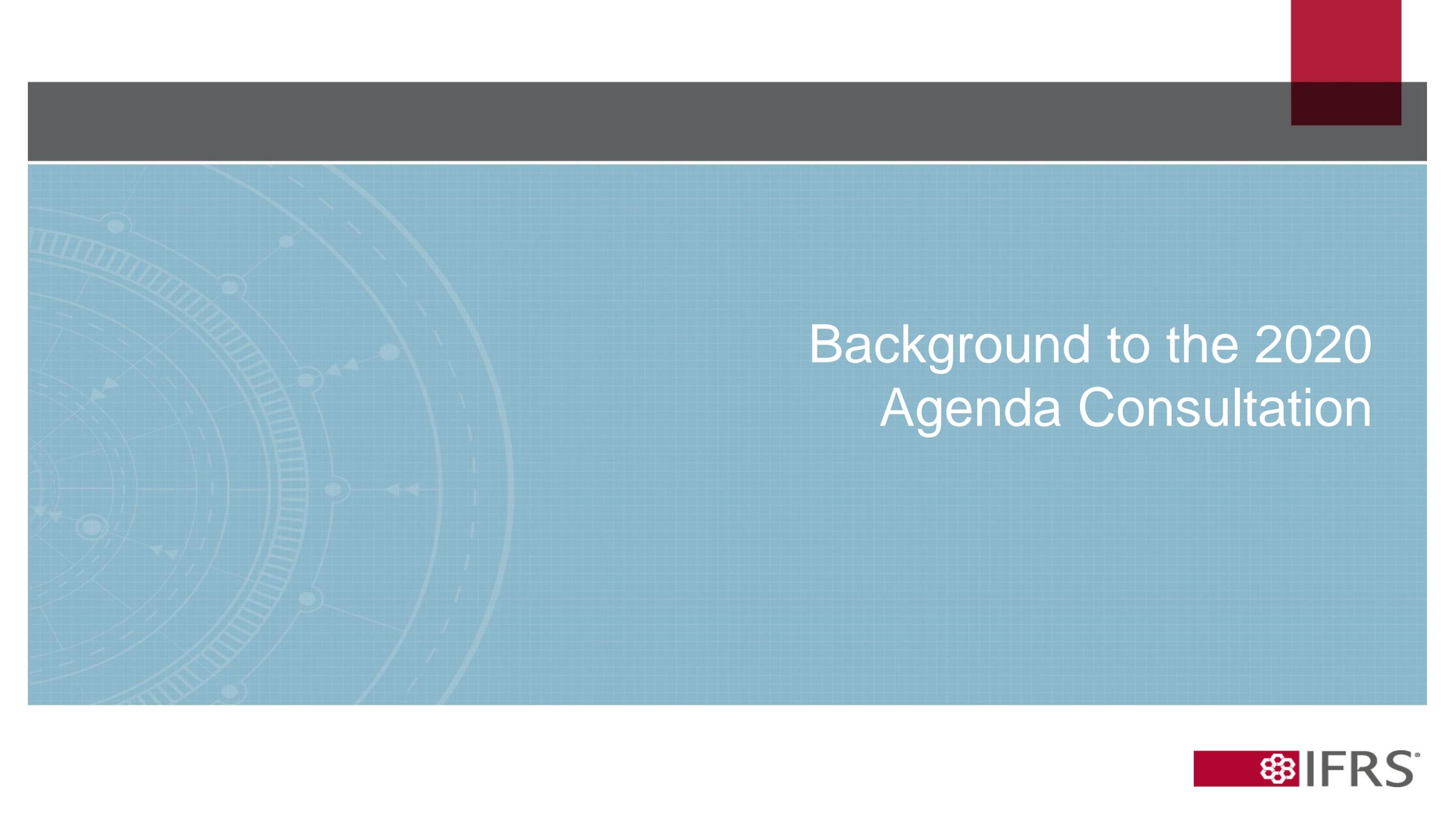
Background to the 2020 Agenda Consultation

Pre-RFI work	RFI issued	Comment period	Board deliberations	Work plan and feedback statement issued	Board execution of 2022-2026 work plan

| We are here | Sept 2020 | Views solicited | Jan 2021 | | Q4 2021 | |
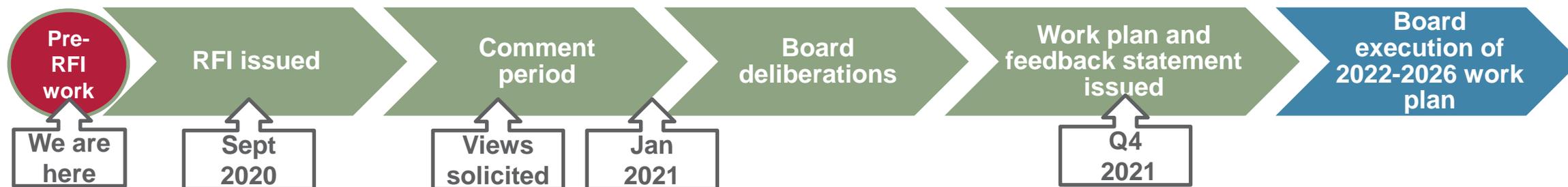
- The Board determines its strategy and work plan, within its remit, every five years. This process is called an agenda consultation.

- As part of the 2020 Agenda Consultation, the Board will issue an RFI.

- In developing the RFI, the Board seeks to include appropriate background information and questions to help stakeholders comment on the RFI and ensure the Board obtains sufficient evidence to make sound decisions.

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Purpose of agenda consultation – to seek feedback

1 **Strategic direction and balance of work plan**

2 **Criteria for assessing projects to be added**

3 **Priority of financial reporting issues**

Each agenda consultation focuses on the overall balance and priorities of the Board's activities. Individual projects may still be added to the work plan subsequent to the agenda consultation.

Excerpt from Due Process Handbook (DPH)

4.3 The IASB is required to undertake a public consultation on its work programme every five years by way of a public *Request for Information*. The IASB normally allows a minimum of 120 days for comment on a work programme (agenda) consultation Request for Information. The primary objective of the review is to seek formal public input on the **strategic direction and balance** of the IASB's work programme, including the **criteria for assessing projects** that may be added to the IASB's standards-level programme. The review could also seek views on **financial reporting issues that respondents think should be given priority** by the IASB, together with any proposals to withdraw from the IASB's work programme any projects that have not proceeded as planned and for which the prospects for progress are limited. Section 5 details how a project is added to the IASB's standards-level programme.

⬚ IFRS

Complete major Standards

Conceptual Framework

(completed in 2018)

Insurance Contracts

(completed in 2017)

Better communication in financial reporting

Primary Financial Statements – *ED expected in 2019*

Disclosure Initiative – *completed work on Principles of Disclosure and Materiality, work on targeted Standards-level review ongoing*

Management Commentary – *ED expected in 2020*

Taxonomy - *ongoing*

More support for existing Standards

Allocate additional resource – *completed; more issues addressed and significantly faster responses than in past*

Post-implementation reviews

- IFRS 3, IFRS 8 and IFRS 13 – *completed*
- IFRS 10, IFRS 11 and IFRS 12 – *started in September*
- IFRS 5 – *not started*

Focus research programme

Programme refocused

- Research projects – *in process*
- Pipeline projects – *have started work on most, but not all projects, as intended before 2020 Agenda Consultation*

IFRS

Context for the 2020 Agenda Consultation
Take-aways from 2015 Agenda Consultation

- The progress against the 2015 Agenda Consultation goals demonstrate the benefits of a more focused agenda and disciplined research process in order to make more timely progress.

- However, the Board may not meet all of its goals, in part, because it added new projects (IFRS 17 amendments; IBOR reform; and update to management commentary—including intangibles and environmental, social, governance factors) subsequent to the 2015 Agenda Consultation.

- As such, for the 2020 Agenda Consultation, capacity to add new research and standard-setting projects could potentially be limited:
  – a number of projects are still in process
  – capacity should be retained for issues arising after conclusion of the 2020 Agenda Consultation
  – expansion of other activities (slides 11-12) may limit capacity for research and standard-setting
  – expansion of research and standard-setting projects could affect timeliness of those projects and resources allocated to other activities (eg, implementation)

IFRS

Approach to the
2020 Agenda Consultation

1 Strategic direction and balance of work plan (slides 10-12)

2 Criteria for assessing projects to be added (slide 13)

3 Priority of financial reporting issues (slide 14)

Research and standard-setting

Consistent application

?

?

?

Chart **not** to scale

IFRS
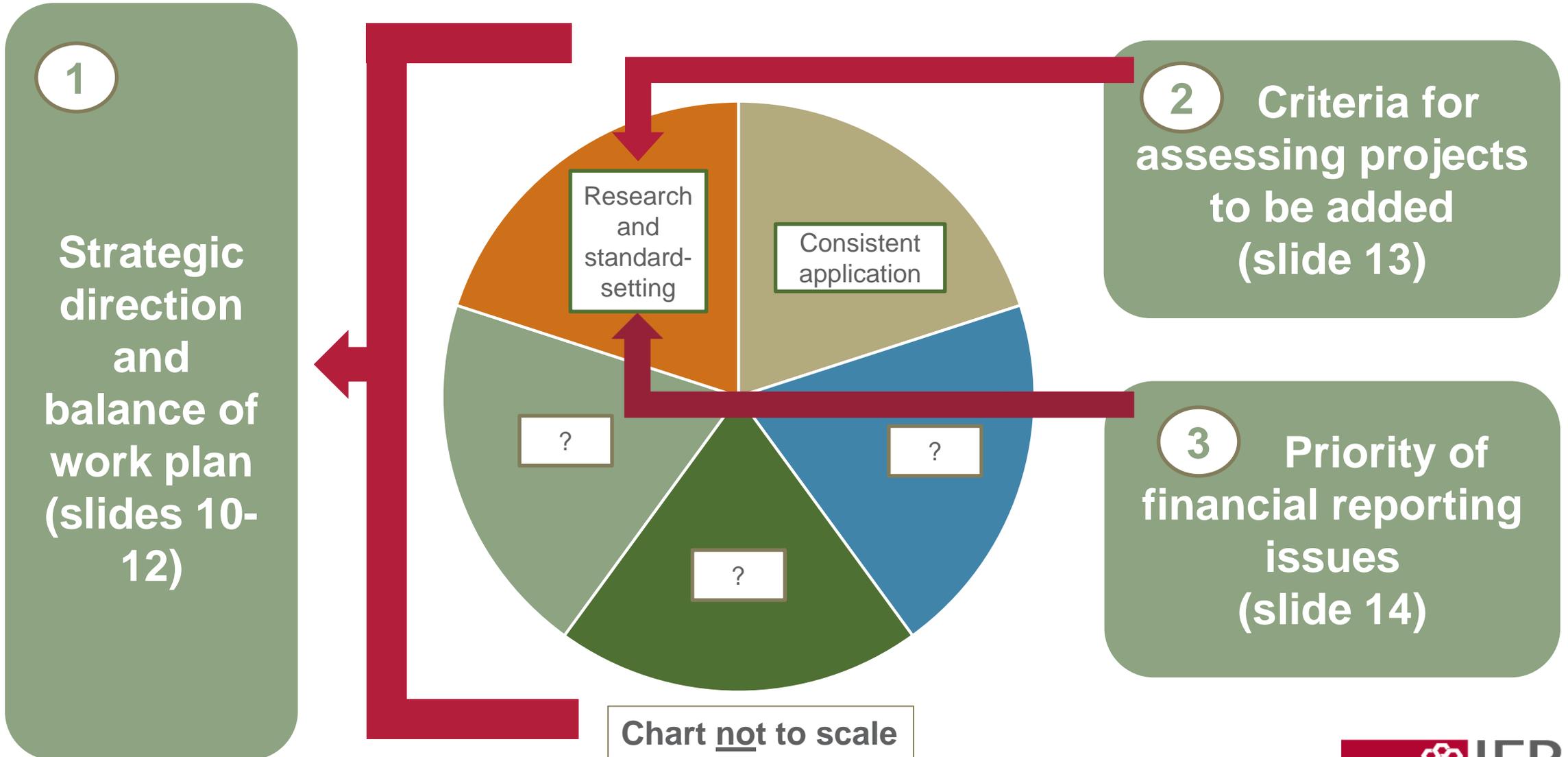
1 Strategic direction and balance of work plan

- The RFI will seek feedback on the strategic direction and balance of the Board's work plan, within the Board's remit.

- Feedback received will help define the Board's primary activities, that is, the slices of the pie shown on the previous slide. The activities reflected in the pie require a trade-off with each other in determining the balance of the Board's primary activities.

- Determining the balance of activities can never be a science; rather, feedback will provide directional information on how to prioritise the Board's primary activities.

IFRS

Research and standard-setting of IFRS Standards and *IFRS for SME* Standard, including:

- Post-implementation reviews
- Education about projects
- Stakeholder engagement
- IFRS Taxonomy maintenance

Support of **consistent application** of IFRS Standards*, including:

- Work of the Interpretations Committee
- Narrow-scope standard-setting
- Educational materials
- Stakeholder engagement

* Excludes *IFRS for SMEs* Standard

Chart not to scale

Incremental activities on **IFRS Taxonomy** *(see next slide)*

Incremental activities on **understandability and accessibility** of IFRS Standards and *IFRS for SMEs* Standard *(see next slide)*

Incremental activities on *IFRS for SMEs* Standard *(see next slide)*

IFRS

IFRS Taxonomy

- With the growing impact of technology, users are increasingly consuming financial reports prepared in accordance with IFRS Standards electronically.
- The Board already supports electronic consumption through the IFRS Taxonomy.
- Incremental activities could include, for example, supporting adoption of the IFRS Taxonomy in more jurisdictions, supporting improved data quality and influencing and educating other participants in the financial reporting ecosystem.

Understandability and accessibility

- The 2017 IFRS Foundation Reputation Survey noted a need to further improve the understandability and accessibility of the Standards.
- The Board already has efforts underway to support the understandability of new and amended IFRS Standards and the *IFRS for SME* Standard.
- Incremental activities could include, for example, investigating cross-cutting changes to requirements, structure and language; changing internal processes; developing additional materials to complement the Standards; and using technology to navigate the Standards.

IFRS for SMEs Standard

- The Board undertakes a review of the *IFRS for SMEs* Standard on a periodic basis.
- Incremental activities could include, for example, educational material to support consistent application of the Standard and the SME Implementation Group's Q&As on the Standard.

- The Board will need to prioritise the research and standard-setting issues identified by stakeholders in their feedback to the RFI.

- To do so, the Board will use specified criteria to assess the projects to be added.

- The range and subjectivity of any specified criteria means that prioritising topics on the work plan can never be a science.

- Nonetheless, the RFI will seek to:
  – obtain information to help the Board assess each potential project against the specified criteria
  – obtain feedback regarding whether there are other criteria the Board should consider

Possible Criteria

- a deficiency in reporting

- the urgency of the matter to users

- the types of entities and jurisdictions affected

- how pervasive or acute the issue is for entities

- interaction with other projects

- complexity and feasibility of project and solutions

- capacity of the Board and its stakeholders to progress a project on a timely basis

IFRS

3 Priority of financial reporting issues

- One output of the 2020 Agenda Consultation is a prioritisation of financial reporting issues to be added to the Board's work plan of research and standard-setting projects

- Responses to the RFI will form the basis of the Board's deliberations to decide which projects to prioritise and add to its work plan

- In order to provide all the information stakeholders need to take part in the agenda consultation, the Board has begun conducting outreach to identify potential projects for inclusion in the RFI and, subsequently, for comment by respondents

Potential projects to include in the RFI

- The objective of the pre-RFI outreach is to develop descriptions of a list of potential projects to include in the RFI. We believe that this will provide stakeholders with a consistent basis for responding to the RFI and allow the Board to better compare responses.
  - This fully described list in the RFI is an aid to help stakeholders provide additional information on the list of potential projects
  - In addition, respondents will describe other potential projects not covered in the RFI and make prioritisation recommendations.
- The feedback to the RFI will enable the Board to decide on its future priorities.

Describing the potential projects

- To develop the descriptions of potential projects, we will ask for the following information:
  – problem definition
  – why issue is important (eg, urgency, pervasiveness, effect)
  – which stakeholders are affected (eg, type, jurisdiction, industry, size)
  – potential solutions
  – size of project (large, medium, small)
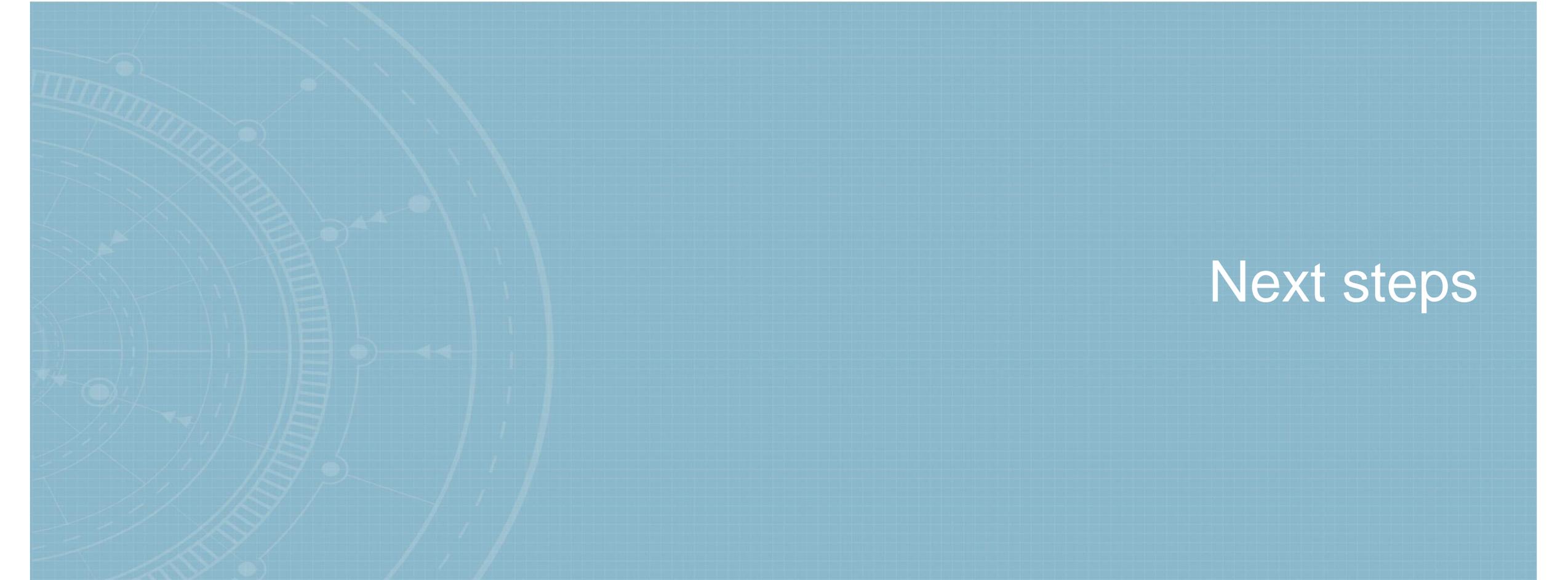
Next steps

Pre-meeting request to members

Date	Step

By 4 November
 	
(each member, by email)
	1. To help shape the RFI, please describe no more than three potential projects to include in the RFI for comment by stakeholders (slide 14).
	2. Your description should include, where possible:
	  • Problem definition
	  • Why issue is important (eg, urgency, pervasiveness, effect)
	  • Which stakeholders are affected (eg, type, jurisdiction, industry, size)
	  • Potential solutions
	  • Size of project (large, medium, small)
	3. Please email your feedback to AgendaConsultation@ifrs.org.

We will prepare a summary of your suggestions and circulate them to you in mid-November for discussion and development at your meeting in December

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