IFRS Accounting

Agenda

Global Preparers Forum

Date **11 November 2022**
Location **Hybrid – Virtual and IFRS Foundation Office, London**

Agenda timings or topics may change as the meeting progresses.
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Friday 11 November 2022

Time (UK)	Agenda ref	Agenda item
10:00-10:10		**Introduction and welcome to new members** **Farewell to departing member**
10:10-10:40	AP1	**IAS 37 Provisions, Contingent Liabilities and Contingent Assets (discount rates)** **To be discussed at this meeting:** The IASB is considering developing proposals to specify in IAS 37 whether the discount rate a company uses in measuring a provision should reflect its own credit risk. To develop its proposals, the staff will ask GPF members for their views on: • Whether the discount rate should reflect the company's own credit risk; and • Disclosure of information about discount rates used. **Background** IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* does not specify whether the rate a company uses to discount a provision for the time value of money should reflect the company's own credit risk. As a result, there is diversity in practice—some companies use their borrowing rate, while others use a (lower) risk-free rate, reporting larger provisions as a result. The effects can be significant on the amounts reported by companies with large long-term provisions – for example, provisions for asset decommissioning or environmental rehabilitation costs recognised by power generation, oil and gas, mining and telecoms companies.
10:40-11:40	AP2	**Post–implementation Review of IFRS 9—Impairment** **To be discussed at this meeting:** The staff will ask GPF members to share their views on the experience of applying the impairment requirements in IFRS 9 *Financial Instruments*, as well as matters that members think the IASB should consider for the Post-implementation Review (PIR) of these requirements. **Background:** In July 2022, the IASB commenced the PIR of the impairment requirements

		in IFRS 9. The discussion at this GPF meeting is part of the outreach the IASB is performing to assist in identifying matters on which it will consult publicly in the forthcoming Request for Information.
11:40-11:50	Break	
11:50-13:20	AP3	**Post–implementation Review of IFRS 15 *Revenue from Contracts with Customers*** **To be discussed at this meeting:** The staff will consult with GPF members to identify issues that need to be discussed further in a request for information. **Background:** In September 2022, the IASB commenced the PIR of IFRS 15. The discussion at this GPF meeting is part of the outreach the IASB is performing in Phase 1 of the project to assist in identifying matters on which the IASB will consult publicly in the forthcoming Request for Information.
13:20-14:05	Lunch	
14:05-15:35	AP4	**Primary Financial Statements Project** **To be discussed at this meeting:** The IASB is conducting outreach on a selection of the proposals included in the Exposure Draft *General Presentation and Disclosures* that it has tentatively decided to revise in its redeliberations. The staff plan to ask GPF members for feedback on whether the tentative decisions on the selected topics will achieve the related objectives and the intended balance of costs and benefits. The selected topics for targeted outreach are as follows. • Subtotals in the statement of profit and loss — change in approach to classifying income and expenses within the financing category and aspects of the proposals for entities with specified main business activities • Management performance measures—rebuttable presumption and simplified method of calculating the tax effect for reconciling items • Disclosure of operating expenses by nature in the notes The staff will also provide GPF members with an update on the IASB's discussions on unusual income and expenses at the September 2022 meeting. **Background:** The Exposure Draft proposed a definition of financing activities and required an entity classify income and expenses from financing activities and from other liabilities in the financing category. In response to stakeholder feedback, the IASB tentatively decided to revise the approach such that an entity would be required to classify in the financing category all income and

		expenses from liabilities that arise from transactions that involve only the raising of finance and specified income and expenses from other liabilities. The Exposure Draft proposed requirements for management performance measures. In response to stakeholder feedback, the IASB has tentatively decided to revise aspects of the definition and disclosure requirements, including establishing a rebuttable presumption that a subtotal of income and expense included in public communications outside financial statements represents management's view of an aspect of the entity's financial performance and a simplified method for calculating the tax effect for each item disclosed in the reconciliation. At its July 2022 meeting, the IASB tentatively decided to require an entity to disclose the amounts of depreciation, amortisation and employee benefits included in each line item in the statement of profit or loss and to explore an approach that would require an entity to disclose, for all operating expenses disclosed in the notes, the amounts included in each line item in the statement of profit or loss.
15:35-16:15	AP5, AP5A	**Equity method** **To be discussed at the meeting:** The staff will provide GPF members with a brief update on the equity method project and seek their input on the alternatives identified in addressing the application question: *How should an investor account for gains and losses that arise from the sale of a subsidiary to its associate, applying the requirements of IFRS 10* Consolidated Financial Statements *and IAS 28* Investments in Associates and Joint Ventures. **Background:** There is an acknowledged inconsistency between the requirements of IFRS 10 and IAS 28 for the sale of a subsidiary to an investor's associate. The inconsistency arises because: (a) paragraphs 25 and B97–B99 of IFRS 10 require an investor to recognise in full the gain or loss on the loss of control of a subsidiary, remeasuring any retained interest, if any, at fair value; whereas (b) paragraphs 28 and 30 of IAS 28 require an investor to restrict the gain or loss recognised to the extent of the unrelated investors' interests in an associate. In 2014 the IASB issued amendments to IFRS 10 and IAS 28, but these amendments were later indefinitely deferred and are not yet effective. In September 2022, the IASB started discussion on possible alternatives to address this acknowledged inconsistency.
16:15-16:45	AP6	**IASB and IFRS Interpretations Committee Update** Follow-up on issues discussed at the last meetings.
16:45-16:55	Break	

16:55-17:15	AP7	**ISSB Update** Follow-up on issues discussed at the last meetings.