

---

## IFRS Foundation Trustees Meeting – Due Process Oversight Committee

Date **June 2024**  
Project **Work Plan**  
Topic **Proposed IASB Prioritisation Framework**  
Contacts **Nili Shah** ([nshah@ifrs.org](mailto:nshah@ifrs.org))

This document is prepared for discussion of a public meeting of the IFRS Foundation Trustees' Due Process Oversight Committee (DPOC). The Trustees are responsible for governance of the IFRS Foundation, oversight of the International Accounting Standards Board (IASB) and International Sustainability Standards Board (ISSB), and for delivery of the IFRS Foundation's objectives as set out in the IFRS Foundation *Constitution*.

---

### Purpose of the paper

1. The IASB is responsible for developing and pursuing its technical agenda. It receives many diverse (and sometimes conflicting) requests to undertake technical projects. However, both the IASB and stakeholders have a finite capacity to address technical accounting matters. The IASB is, therefore, developing a proposed prioritisation framework to help it operationalise the principles in the *Due Process Handbook* to consistently prioritise technical projects on its work plan to balance capacity demand with supply and enable effective execution of the IASB's mission.
2. The purpose of this paper is to update the DPOC and receive its feedback on the IASB's proposed framework and its next steps, set out in [Appendix A](#).
3. The IASB discussed this proposed prioritisation framework at a [public meeting in April 2024](#). IASB members were supportive of the proposal and provided comments which have been reflected in Appendix A.

### Question for the DPOC

#### Question for the DPOC

1. Do you have any questions or comments on the proposed prioritisation framework?

---

## APPENDIX A – Proposed IASB prioritisation framework

### Purpose of the appendix

- A1. As a global standard-setter, the IASB serves nearly 150 jurisdictions, with multiple stakeholders—including users of financial statements, preparers, auditors, regulators, national standard-setters, policy makers and academics. Consequently, the IASB receives many diverse (and sometimes conflicting) requests to undertake technical projects. However, both the IASB and stakeholders have a finite capacity to address technical accounting matters.
- A2. At various points in 2023, IASB members noted this tension between the demand from stakeholders and the finite capacity of the IASB and stakeholders. Various IASB members, therefore, expressed the need for a prioritisation framework as the IASB deliberated, for example, adding projects such as use of a hyperinflationary presentation currency to its work plan.
- A3. The purpose of this appendix is to set out a proposed prioritisation framework to help the IASB consistently prioritise technical projects on its work plan to balance capacity demand with supply and enable effective execution of the IASB’s mission.
- A4. The proposed prioritisation framework builds on piecemeal prioritisation requirements, frameworks and practice to formalise a structured approach to each prioritisation decision in the standard-setting process. Specifically, the considerations in this proposed framework were drawn from (see Appendix C for details):
- (a) requirements in the *Due Process Handbook*;
  - (b) criteria applied in the Third Agenda Consultation;
  - (c) prioritisation criteria for matters identified in PIRs;
  - (d) factors applied to projects recently removed from the work plan; and
  - (e) prioritisation frameworks decided by the [International Sustainability Standards Board](#) in its recent Consultation on Agenda Priorities and those used by some national standard-setters.

### Structure of the appendix

- A5. This appendix is structured as follows:
- (a) overview of the standard-setting process;
  - (b) overview of the proposed prioritisation framework;
  - (c) base framework;

- (d) variations on the base framework; and
- (e) next steps.

## Overview of the standard-setting process

- A6. Every five years, the IASB conducts an agenda consultation, as required by the *Due Process Handbook*<sup>1</sup>. The five-yearly agenda consultation provides an opportunity for the IASB to holistically consider and consult on its priorities, including the framework (criteria) to apply in deciding on its priorities. As part of the agenda consultation, the IASB may add new technical projects to its **pipeline**, which consists of inactive projects that the IASB commits to starting before the next five-yearly agenda consultation. It may also remove projects from its pipeline or **work plan**, which consists of projects that the IASB is actively working on.
- A7. As part of the agenda consultation, the IASB also consults on the strategic direction and balance of the IASB's activities. In the Third Agenda Consultation, which concluded in 2022 and covers the period 2022 to 2026, the IASB decided the balance of its six main activities<sup>2</sup>, including that:
- (a) **Research and standard-setting** would comprise approximately 45–50% of its level of focus. Research and standard-setting consists of the development of new IFRS Accounting Standards, the development of major amendments to IFRS Accounting Standards, comprehensive reviews of the *IFRS for SMEs Accounting Standard*<sup>3</sup> and post-implementation reviews (PIRs).
  - (b) **Maintenance and consistent application** would comprise approximately 15–20% of its level of focus. These activities consist of narrow-scope projects for the purposes of maintenance and consistent application of IFRS Accounting Standards and typically comprise matters that can be resolved efficiently (in two to three years) within the confines of existing IFRS Accounting Standards and the *Conceptual Framework for Financial Reporting*. These activities also include the work of the Interpretations Committee.
- A8. During the five-year period in between agenda consultations, new projects may be added to the IASB's pipeline (or, if urgent, added directly to the work plan and started immediately) to respond to market developments. Typically, such projects will be maintenance and consistent

---

<sup>1</sup> Paragraphs 4.3-4.5.

<sup>2</sup> See [Third Agenda Consultation Feedback Statement](#).

<sup>3</sup> In the Third Agenda Consultation, the *IFRS for SMEs Accounting Standard* was treated as a separate activity. For purposes of the prioritisation framework, it is included in research and standard-setting, with a corresponding increase to the level of focus.

application projects because the agenda consultation focuses on prioritising specific research and standard-setting projects, while leaving maintenance and consistent application projects to be specified as the need arises. This approach to the agenda consultation enables capacity to be set aside for the IASB to be agile and responsive to market developments with smaller, faster projects during the five-year period. However, the IASB may also add research and standard-setting projects if sufficient evidence suggests a need to update decisions made during the agenda consultation.

- A9. Once a project is added to the work plan, the IASB gathers evidence about the problem to be solved and undertakes standard-setting to address the problems identified. Upon completion of its work, the IASB issues amendments or a new IFRS Accounting Standard. Throughout this process, the IASB may decide to retire a project before issuing amendments; this could occur, for example, if work indicates that the problem is not as prevalent as initial evidence suggested.
- A10. After issuing amendments or a new IFRS Accounting Standard:
- (a) the IASB or the Interpretations Committee may receive questions about the application of the Standards. Some of these questions may lead to new projects.
  - (b) the IASB conducts a PIR of major amendments and new IFRS Accounting Standards to assess whether the effects of applying those new requirements on users of financial statements, preparers, auditors and regulators are as intended when the IASB developed those requirements. Some of the IASB's findings in the PIR may also lead to new projects.

## **Overview of the proposed prioritisation framework**

- A11. The proposed prioritisation framework set out in this appendix is intended to facilitate relative prioritisation decisions in between the IASB's five-yearly agenda consultations. This is because, as stated in paragraph A6, the five-yearly agenda consultation provides the IASB with an opportunity to holistically consider and consult on its priorities, including the framework (criteria) to apply in deciding on its priorities. This provides the IASB with a fuller picture to make relative prioritisation decisions about existing and possible future technical projects. In between agenda consultations, however, the IASB must make ad hoc decisions about projects to add to or to remove from its work plan, without the benefit of a holistic consideration and consultation.
- A12. The proposed framework consists of a base framework, with variations based on the nature of the prioritisation decision to be made and the type of project.

- A13. The application of the proposed framework requires judgment; no individual consideration is determinative and IASB members may weight individual considerations differently.

### Base framework

- A14. The IASB's prioritisation decisions depend on the extent of two main types of considerations: technical considerations and operational considerations. The IASB assesses these considerations based on new evidence since the previous agenda consultation.

- A15. **Technical considerations** are:

- (a) **Pervasiveness**—that is, a large number of entities are affected or expected to be affected by the matter. Projects related to requirements that are not broadly applied (or projects related to voluntary guidance) may thus rank lower in priority. Included are considerations about jurisdictions, entities and industries affected to help ensure appropriate balance of those affected by the board's priorities.
- (b) **Effects (expected financial reporting benefits exceed costs)**—the IASB would consider, with a focus, but not exclusively, on the needs of users:
  - (i) the expected benefits, such as more decision-useful (including comparable) information or reduced costs; and
  - (ii) the expected initial and ongoing costs (financial and otherwise) from any change in requirements.
- (c) **Feasibility of standard-setting, given standard-setting investment required**—some matters may have a 'quick fix'—high feasibility of standard-setting with a low level of investment required in standard-setting—and may, therefore, rank higher in priority. In contrast, matters involving high degrees of judgement or noncompliance may not have a standard-setting solution—no matter how much standard-setting investment is made—and may, therefore, rank lower in priority.

As a project progresses through its life cycle, consideration may also be given to the level of remaining standard-setting investment to completion and the likelihood of a supermajority vote in favour of an exposure draft or a final amendment / Standard.

- (d) **Strategic priority**—which could include considerations such as maintaining the principles-based nature of IFRS Accounting Standards, facilitating connectivity with the ISSB, maintaining convergence where previously achieved with US GAAP, facilitating digital reporting or improving understandability to improve application of IFRS Accounting Standards.

A16. **Operational considerations** are:

- (a) **Time-sensitivity** of the need for a solution. Urgent projects are started immediately and may spend only an instant on the pipeline (in effect bypassing the pipeline). The time-sensitivity of a matter may be related to technical considerations such as pervasiveness and effect.
- (b) Whether the matter in question has **synergies with other projects**, including relevant research being performed by other standard-setters and organisations that could expedite the work of the IASB.
- (c) Whether **capacity (internal and stakeholder)** is available to meet project needs. Capacity also considers the strategic balance established during the Third Agenda Consultation for research and standard-setting versus maintenance and consistent application (see paragraph A7). If capacity is not available, relative prioritisation decisions will need to be made to source capacity from active projects or by delaying the anticipated start of pipeline projects.
- (d) If a project is paused, the **effort to restart** the project.

### **Variations on the base framework**

A17. The application of the base framework will depend on the:

- (a) nature of the prioritisation decision; and
- (b) type of project.

### ***Nature of prioritisation decisions***

A18. As illustrated in [Appendix B](#), prioritisation decisions occur at four points throughout the standard-setting process:

- (a) As part of the agenda consultation, at which time the IASB may decide to add new projects to the pipeline. The IASB may also decide to remove projects from its pipeline or work plan.
- (b) After the agenda consultation, potential new projects may be identified through a variety of sources (see paragraph A25). At this point, the IASB must decide whether the project is of sufficient priority to add it to its pipeline. The *Due Process Handbook* requires that the IASB consult with the IFRS Advisory Council and the Accounting

---

Standards Advisory Forum before adding potential major projects to the work plan if not contemplated in the previous agenda consultation<sup>4</sup>.

- (c) The IASB must then decide when to start a pipeline project. This decision occurs at some point before the start of the next agenda consultation to enable the start of the pipeline project before the next agenda consultation.
  - (d) For an active project, at natural points within its lifecycle, such as after evaluating feedback on a consultation document, the IASB may consider:
    - (i) changing the scope of the project;
    - (ii) pausing the project (including possibly returning it to the pipeline); or
    - (iii) retiring the project and removing it from the work plan.
- A19. As stated in paragraph A11, prioritisation decisions as part of an agenda consultation (paragraph A18(a)) are beyond the scope of this framework.
- A20. Prioritisation decisions about **whether** to add a project to the pipeline (paragraph A18(b)) focus primarily on technical considerations. However, it should be noted again that the pipeline consists of inactive projects that the IASB commits to starting before the next five-yearly agenda consultation; it is not a waiting room for all technically important projects. Therefore, operational considerations may also need to be incorporated into the decision, for example:
- (a) whether the project should wait to benefit from the holistic agenda consultation prioritisation process (that is, the time sensitivity component of operational considerations); and
  - (b) whether there is sufficient capacity to start before the next agenda consultation, including how the addition of the project would affect progress of other ongoing projects (that is, the capacity component of operational considerations).
- A21. Prioritisation decisions about **when** to start a pipeline project (paragraph A18(c)) or pause an active project (paragraph A18(d)(ii)) focus primarily on operational considerations.
- A22. Prioritisation decisions about changing the scope of a project (paragraph A18(d)(i)) are a **whether** and **when** decision at the same time.
- A23. Prioritisation decisions about **whether** to retire an active project (paragraph A18(d)(iii)) focus primarily on technical considerations.

---

<sup>4</sup> Paragraph 4.6.

A24. The staff has distinguished between paused projects and retired projects—and recommend clear communications about this distinction in the future. This is because projects should normally be retired based on technical considerations; consequently, even if there is demand for the project in the future, the IASB would not have a basis to undertake such a project unless there is new technical information. In contrast, a paused project may be restarted in the future when operational considerations are more favourable, regardless of whether there is new technical information.

### ***Type of projects***

A25. Projects arise from different sources:

- (a) the five-yearly agenda consultation;
- (b) required projects—that is, PIRs required by the *Due Process Handbook* and periodic comprehensive reviews of the *IFRS for SMEs Accounting Standard*;
- (c) evidence from PIRs about the need for standard-setting;
- (d) recommendations from the IFRS Interpretations Committee or actions in response to findings from the IFRS Interpretations Committee’s work; and
- (e) horizon-scanning activities in which IASB members and staff monitor emerging issues through research and outreach.

A26. As stated in paragraph A11, prioritisation decisions as part of an agenda consultation (paragraph A25(a)) are beyond the scope of this framework.

A27. The prioritisation considerations for required projects (paragraph A25(b)) and projects arising from PIRs (paragraph 25(c)) differ from the base prioritisation considerations. Specifically:

- (a) for required projects:
  - (i) no decision about **whether** to add or retire these projects is needed because these projects are required.
  - (ii) decisions about **when** to start these projects have additional considerations. See [IFRS - IASB post-implementation reviews](#) for PIRs and paragraph BC264 of the *IFRS for SMEs Accounting Standard*.
- (b) For projects arising from PIRs, decisions about **whether** to add a project and **when** to start it are based on the [PIR prioritisation framework](#) for the time being. As discussed in paragraph A29, the PIR prioritisation framework is based on the same underlying principles as this proposed framework.



---

## Next steps

### ***Consultation and finalisation of the proposed framework***

- A28. To finalise this proposed framework, the staff plans to:
- (a) incorporate comments from the DPOC's June 2024 meeting;
  - (b) seek feedback from the IFRS Advisory Council at a supplementary meeting in September 2024 meeting; and
  - (c) report feedback to the IASB and finalise the proposed framework.
- A29. The staff notes that the prioritisation framework for PIRs is based on the same underlying principles set out in paragraphs A14–A16 but with slightly different structure and terminology. The staff does not propose to align the PIR prioritisation framework with the proposed prioritisation framework discussed in this appendix at this time. Rather, as experience develops, the staff will refine the proposed prioritisation framework and consider aligning the PIR prioritisation framework with it.

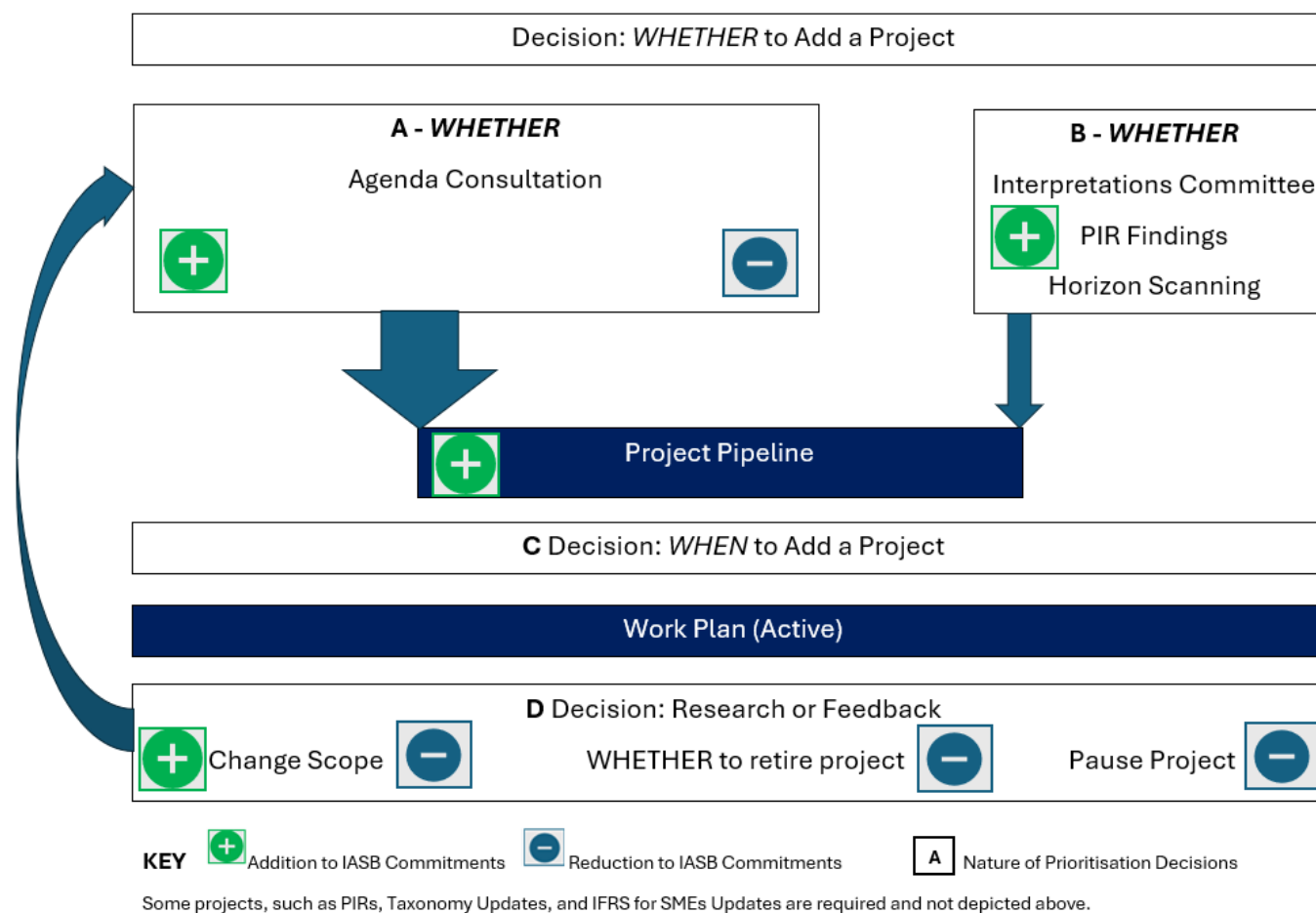
### ***Implementation of the framework***

- A30. Before finalisation, the staff will test this prioritisation framework as opportunities arise.
- A31. Upon finalisation, the framework will be incorporated into the staff's internal process guides and be applied in final form to future prioritisation decisions. When prioritisation decisions are made, the staff will also confirm to the DPOC in its IASB Technical Activities paper for each DPOC meeting that the framework has been applied.

### ***Updates to the Due Process Handbook***

- A32. The staff notes that the DPOC is in the process of reviewing the *Due Process Handbook* with plans to expose proposed updates in Q4 2024. The primary purpose of this update is to reflect formally the establishment of the ISSB, but the DPOC may also consider other changes.
- A33. The staff considered whether to recommend changes to the *Due Process Handbook* based on this prioritisation framework. However, the staff does not think revisions are necessary because the *Due Process Handbook* already includes principles and requirements to support the prioritisation of the IASB's technical work, as noted in [Appendix C](#). This framework is intended to operationalise those principles relative to the IASB's working environment.

## APPENDIX B – Prioritisation decisions in between agenda consultations



## **APPENDIX C – Existing prioritisation requirements and models**

C1. Appendix C sets out existing prioritisation requirements and models for research and standard-setting projects and maintenance and consistent application projects for some prioritisation decisions listed in paragraph A18:

- (a) Whether to add a project
  - (i) Due Process Handbook – Agenda Consultation
  - (ii) Practice – Third Agenda Consultation
  - (iii) Due Process Handbook – whether to add a research and standard-setting project
  - (iv) Due Process Handbook – whether to add a maintenance and consistent application project
  - (v) Practice – PIR prioritisation criteria
- (b) When to start a project
- (c) Whether to remove a project

### ***Whether to add a project***

#### **Due Process Handbook – Agenda Consultation**

C2. Paragraph 4.3 of the *Due Process Handbook* sets out requirements for the IASB's five-yearly agenda consultation:

- 4.3 The Board undertakes a public consultation on the work plan every five years by way of a public request for information... The primary objective of the review is to seek formal public input on the strategic direction and balance of the Board's work plan, including the criteria for assessing projects that may be added to the Board's work plan. The review could also seek views on financial reporting matters that respondents think should be given priority by the Board, together with any proposals to withdraw from the Board's work plan any projects that have not proceeded as planned or for which the prospects for progress are limited...

#### **Practice – Third Agenda Consultation**

C3. Paragraph 4.3 of the *Due Process Handbook* requires consultation on the prioritisation criteria to be applied in each agenda consultation. As part of the Third Agenda Consultation, the IASB decided to evaluate a potential project for inclusion on its work plan primarily by assessing

whether the project would meet investors' needs, while taking into account the costs that a company would incur in applying any new or amended requirements that would result from the proposed project. It also decided on seven criteria to assist in 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 of transaction or activity in financial statements;
- (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.

#### Due Process Handbook - whether to add a research and standard-setting project

C4. Paragraph 4.6 of the *Due Process Handbook* sets out requirements for adding a major project to the work plan in between agenda consultations. This paragraph does not distinguish between research and standard-setting projects, but in practice, a standard-setting project normally would only start after completion of research to articulate the problem and assess whether a feasible standard-setting solution can be found.

4.6 While the five-yearly consultations are the principal means of determining the Board's work plan, the Board can add projects to the work plan or change its priorities between consultations in response to changing circumstances. However, before adding a major project to the work plan that was not contemplated in the previous consultation, the Board consults the Advisory Council and ASAF on the potential project...

C5. Paragraphs 5.1-5.7 of the *Due Process Handbook* set out the requirements for adding a standard-setting project to the IASB's work plan. These paragraphs are specific to moving a project from the research phase to the standard-setting phase.

5.1 In considering whether to add a standard-setting project to the work plan, the Board or the Interpretations Committee requires the development of a specific project proposal and an assessment against the project criteria outlined in paragraph 5.4. That consideration will include whether the proposal is for a

comprehensive project to develop a new IFRS Standard or major amendment to a Standard (see paragraphs 5.4–5.12), or a narrow-scope project for the purposes of maintenance and consistent application (see paragraphs 5.13–5.19).

- 5.2 The primary objective of a project proposal is to help the Board to manage its resources effectively and to prioritise its standard-setting work. The Board distinguishes between major and narrow-scope projects in its planning to help reduce the risk of committing resources to a project when other projects should have a higher priority.
- 5.3 A proposed new IFRS Standard, an amendment to a Standard, or an IFRIC Interpretation are exposed for public comment. Accordingly, if stakeholders believe that the Board has failed to establish the need for improvements to an area of financial reporting, they will have the opportunity to express their views during the consultation process.

#### **Criteria for new IFRS Standards or major amendments**

- 5.4 The Board evaluates the merits of adding a potential project to the work plan primarily on the basis of the needs of users of financial reports, while also taking into account the costs of preparing the information in financial reports. When deciding whether a proposed agenda item will address users' needs, the Board considers:
- (a) whether there is a deficiency in the way particular types of transactions or activities are reported in financial reports;
  - (b) the importance of the matter to those who use financial reports;
  - (c) the types of entities likely to be affected by any proposals, including whether the matter is more prevalent in some jurisdictions than others; and
  - (d) how pervasive or acute a particular financial reporting issue is likely to be for entities.

\* \* \* \* \*

- 5.7 The Board adds a project to the work plan only if it concludes that the benefits of the improvements to financial reporting will outweigh the costs.

---

Due Process Handbook - whether to add a maintenance and consistent application project

C6. Paragraphs 5.15-5.16 of the *Due Process Handbook* set out the criteria for whether the Interpretations Committee should recommend to the IASB to add a maintenance and consistent application project to its work plan.

5.15 Stakeholders are encouraged to submit application questions to the Interpretations Committee when they view it as important that the Board or the Interpretations Committee address the matter. Such matters could include cases of doubt about the required accounting for a particular circumstance or transaction, or concerns expressed by investors about the application of specified disclosure requirements...

5.16 The Interpretations Committee decides a standard-setting project should be added to the work plan, either by recommending that the Board develop a narrow-scope amendment or by deciding to develop an IFRIC Interpretation, when all of the following criteria are met:

- (a) the matter has widespread effect and has, or is expected to have, a material effect on those affected;
- (b) it is necessary to add or change requirements in IFRS Standards to improve financial reporting—that is, the principles and requirements in the Standards do not provide an adequate basis for an entity to determine the required accounting;
- (c) the matter can be resolved efficiently within the confines of the existing Standards and the Conceptual Framework; and
- (d) the matter is sufficiently narrow in scope that the Board or the Interpretations Committee can address it in an efficient manner, but not so narrow that it is not cost-effective for the Board or the Interpretations Committee and stakeholders to undertake the due process required to change a Standard.

---

### Practice – PIR prioritisation criteria

- C7. The IASB developed prioritisation [criteria](#)<sup>5</sup> to apply to matters arising from a PIR. These criteria are specific to the objective of a PIR – that is, to assess whether new requirements are working as intended.
- C8. The IASB considers whether to add a project to its work plan if there is evidence that:
- (a) there are fundamental questions (ie ‘fatal flaws’) about the clarity and suitability of the core objectives or principles in the new requirements; or
  - (b) the benefits to users of financial statements of the information arising from applying the new requirements are significantly lower than expected (for example, there is significant diversity in application); or
  - (c) the costs of applying some or all of the new requirements and auditing and enforcing their application are significantly greater than expected (or there is a significant market development since the new requirements were issued for which it is costly to apply the new requirements consistently).
- C9. Such matters are added to the work plan if, to a large extent:
- (a) the matter has substantial consequences;
  - (b) the matter is pervasive;
  - (c) the matter arises from a financial reporting issue that can be addressed by the IASB; and
  - (d) the benefits of any action would be expected to outweigh the costs. To determine this, the IASB would consider the extent of disruption and operational costs from change and the importance of the matter to users of financial statements.

### ***When to start a project***

- C10. In practice, projects are started immediately if they are assessed as urgent. In addition, a project may be started immediately if the IASB, as a result of a PIR, concludes that a Standard is not working as intended.
- C11. Required PIRs start at the earliest after the new requirements have been implemented for at least 24 months. However, financial statements that reflect 24 months of implementation are

---

<sup>5</sup> To align with the structure of this appendix, the staff has restructured the PIR criteria on the intranet. However, this restructuring does not change the content or application of the criteria.

generally available in practice only about 30–36 months after the effective date of the new requirements.

C12. The start date depends on the availability of information, such as:

- (a) trend data from financial statements applying the new requirements;
- (b) academic research; and
- (c) the level of experience in practice (while balancing the risk that practice may become so embedded that resistance to improvements may develop), which may depend on the level of change arising from the new requirements.

C13. Comprehensive reviews of the *IFRS for SMEs* Accounting Standard start approximately two years after the effective date of the amendments from the previous comprehensive review. See paragraph BC264 of the *IFRS for SMEs* Accounting Standard<sup>6</sup>.

#### **Whether to remove a project**

C14. The IASB does not have established criteria to remove projects from the work plan. However, in the past year, the IASB has decided to remove from the work plan its projects on Business Combinations under Common Control and Extractive Activities.

C15. Questions about possibly removing a project arise at natural points within a project's lifecycle at which time the IASB considers the project's future direction (reflection points). As discussed during Third Agenda Consultation deliberations ([AP 24A to the IASB's February 2022 meeting](#)), reflection points include:

- (a) following the publication of a consultation document (such as a discussion paper or exposure draft)—the IASB considers feedback on the document and decides whether to continue, pause or discontinue the project.

---

<sup>6</sup> Respondents to the 2013 ED were evenly divided on whether the IASB should update the *IFRS for SMEs* approximately once every three years or if it should follow a longer cycle, with five years being the most common alternative suggestion. The IASB supported the following as a tentative approach for future reviews of the *IFRS for SMEs*:

- (a) a comprehensive review of the *IFRS for SMEs* should commence approximately two years after the effective date of the amendments to the *IFRS for SMEs* resulting from a previous comprehensive review. This would allow time for SMEs to apply the amendments and for interested parties to identify and comment on any implementation issues or unintended consequences that result from those amendments. The IASB observed that it expected that comprehensive reviews would begin with the issuance of an RFI.
- (b) between comprehensive reviews, the IASB, with input from the SMEIG, would decide whether there is a need for an interim review to consider any new and revised full IFRS [Accounting] Standards not yet incorporated or any urgent amendments that have been identified.
- (c) this process would mean that amendments to the *IFRS for SMEs* would not typically be expected to be more frequent than approximately once every three years to provide SMEs with a stable platform.



- 
- (b) after completing research, when considering whether to move a research project to standard-setting.
  - (c) at other points during a project lifecycle when appropriate, such as after conducting stakeholder outreach on specific aspects of a project to help the IASB determine the next steps.

C16. In deciding to remove Business Combinations under Common Control and Extractive Activities from the work plan, the IASB considered, based on research and feedback:

- (a) the lack of concern about diversity in practice from users of financial statements.
- (b) that the costs of developing and implementing amendments outweighed potential improvements to financial reporting. Costs of development included costs of building acceptance of a possible solution, given diversity in user information needs and stakeholder views.