

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.

## **Interest Rate Benchmark Reform**

### **Timetable for the endorsement process**

#### **Objective**

- 1 This paper is to provide an overview of the next steps of the IBOR project and to approve a timetable for the endorsement process.

#### **Current Status**

- 2 EFRAG's final comment letter on the Exposure Draft *Interest Rate Benchmark Reform—Phase 2: Proposed amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16*, issued by the IASB on 9 April 2020, was issued by EFRAG to the IASB on 26 May 2020.

#### **Next Steps at IASB level**

- 3 The IASB will discuss feedback received from constituents during its meetings in June (22-26 June) and July (20-24 July).
- 4 During on oral update at the May IASB meeting, the IASB staff explained that feedback received so far by then (i.e. before the end of the comment period) can be categorised into three groups:
  - (a) Need for further clarifications;
  - (b) Re-deliberations on particular proposals in the ED;
  - (c) New developments.
- 5 EFRAG Secretariat currently works under the assumption that the IASB will focus on discussing the feedback received mainly during the June meeting, and the IASB staff will incorporate the decisions taken at that meeting before asking for permission to ballot at the July meeting.
- 6 Against this background, EFRAG Secretariat works under the assumption that the final amendments will be published by end of August 2020.

#### **Next Steps at EFRAG level**

- 7 In agreement with the EC team, based on this expected timing, the EFRAG Secretariat suggests the following next steps:
  - (a) 22 June 2020 – EFRAG FIWG meeting: Update based on IASB agenda papers for June meeting to identify further needs for discussion;
  - (b) 2 July 2020 – EFRAG TEG meeting: Update based on IASB decisions taken at June meeting to identify further needs for discussion;
  - (c) 27 July 2020 – EFRAG FIWG meeting: (if needed) Update based on IASB agenda papers for July meeting to identify further needs for discussion.
  - (d) Early August – EFRAG Secretariat to finalise the Draft Endorsement Advice;

*Interest Rate Benchmark Reform – Timetable of endorsement activities*

- (e) Mid-August – EFRAG TEG and EFRAG Board discuss and approve the Draft Endorsement Advice, subject to minor drafting changes (**to be scheduled**);
  - (f) End of August – the IASB issues final amendments and the EC sends to EFRAG the letter requesting the endorsement;
  - (g) 31 August – EFRAG issues Draft Endorsement Advice with a comment period of **seven days**;
  - (h) 7 September – Public outreach meeting to collect input from EFRAG Constituents;
  - (i) 14 September – EFRAG TEG and EFRAG Board discuss and approve the Final Endorsement Advice the same day;
  - (j) 15 September – Final Endorsement Advice to be issued.
- 8 The suggested timing anticipates the next steps of the Endorsement process so that the IBOR Phase 2 amendments can be made available for application for year-end 2020.

**Questions for EFRAG Board**

- 9 Does EFRAG Board agree with the proposed next steps and suggested timing?