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Technical Work Plan September 2020 – February 2021

Objective

- 1 The objective of this session is for the EFRAG Board to conduct its regular review of the technical work plan and advise of any necessary changes.

Background

- 2 In the past, the EFRAG Board requested that:
 - (a) an explanation be provided for any IASB implementation projects that are classified as significant; and
 - (b) the work plan be updated and presented for approval at every meeting.
- 3 Attachment 1 to this note contains the reasoning behind classifying IASB projects as significant.
- 4 At its June 2017 meeting, the EFRAG Board agreed that, as responses to IASB post-implementation reviews collate European views and do not include an EFRAG position, post-implementation review responses should be finalised by EFRAG TEG. IASB proposed post-implementation reviews have been included in the work plan for the convenience of EFRAG Board members, but no action is expected from the EFRAG Board.
- 5 At its meeting in September 2016, the EFRAG Board agreed that the classification of IASB research projects as significant or for processing by written procedure should be deferred until the significance of each project emerges.

Changes to the workplan since last EFRAG Board review

- 6 RRA: Considering the postponed date for the issuance of exposure draft to the end of Q4 the approval of the DCL is now postponed to beginning next year.
- 7 BCUCC: the approval of the DCL is now planned for December as we understand that the ED will be issued in November instead of September 2020.
- 8 PIR IFRS 10, 11, 12: Currently, the IASB's Post-implementation Review of IFRS 10, IFRS 11 and IFRS 12 is in the first phase, which involves an initial identification and assessment of the matters to be examined. The IASB decided to proceed with the Post-implementation Review and to publish a Request for Information focusing on particular areas in December instead of October 2020.
- 9 Management Commentary Practice Statement: The IASB expects to publish an exposure draft in February 2021 instead of Q4 2020.
- 10 Attachment 2 to this note contains the draft technical work plan, based on the IASB's work plan at the time of preparing this paper (excluding the IFRS Taxonomy and the

IFRS for SMEs projects) and the EFRAG research work plan. It also identifies the expected timing of written procedures.

Questions for the EFRAG Board

- 11 Does the EFRAG Board have any comments on the technical work plan?

Attachment 1: Basis for classifying research projects or minor projects as significant

Financial Instruments with Characteristics of Equity

- 12 Given the potential impact of this project, especially for financial institutions, the EFRAG Board decided that the EFRAG position on the IASB's Discussion Paper *Financial Instruments with Characteristics of Equity* should be **considered in a public meeting** rather than by written procedure. The Discussion Paper was issued in June 2018 and the EFRAG Board approved the final comment letter at its meeting in January 2019.

Primary Financial Statements

- 13 At its meeting in April 2017, the EFRAG Board decided that the EFRAG comment letter on the IASB's *Primary Financial Statements* project should be **considered in a public meeting**. The *Primary Financial Statements* project is likely to lead to significant changes to the presentation of financial performance.
- 14 The EFRAG Board has approved a draft comment letter on the Exposure Draft of the new standard in the meeting on February 18. Feedback will be received until September 28 2020. The Board is regularly informed on the outreach activities.

Goodwill and Impairment

- 15 The EFRAG Board decided to **consider this project in public meeting**, given the significant work undertaken by EFRAG in recent years.
- 16 The EFRAG Board was provided with an update on the development of the IASB's project at its meeting in December 2018 jointly with EFRAG TEG and in the meeting in December 2019. A Discussion Paper was issued in March 2020. The DCL by EFRAG Board was approved in the webcast meeting as of May 18 2020. Deadline for comments is the 30 November. Approval by the Board is planned in January 2021.

IBOR Reform and its Effects on Financial Reporting – Phase 2

- 17 EFRAG issued its final comment letter on 27 May 2020.
- 18 The IASB final amendments were issued in August 2020 and their application is needed by European entities in the preparation of their 2020 year-end reporting. Similarly to what has been done last year with Phase 1 of this project, an accelerated endorsement timetable is anticipated for this project.

Business Combination under Common Control

- 19 The IASB is exploring ways to improve the reporting on combinations of businesses under common control. The IASB has completed its discussions of measurement approaches and disclosures and is preparing a discussion paper setting out its preliminary views on reporting these transactions. The IASB plans to publish the Discussion Paper in November 2020. The issuance of EFRAG DCL is planned for

Technical Work Plan July 2020 – January 2021

end of December 2020. In the meeting 16 June the Board has agreed to discuss the DCL in a dedicated meeting (rather than to adopt a written procedure).

Attachment 2: Work plan July 2020 – December 2020

Legend

- Bold** = EFRAG Board decision point **DCL** = Draft comment letter
WP = Written procedure **FCL** = Final comment letter
DP = Discussion paper **DEA** = Draft endorsement advice
ED = Exposure draft **FEA** = Final endorsement advice

Project (IASB next steps in brackets)	Most recent status									
			Sept 25	Oct 8	Oct 30	Nov 17	Dec 17	Jan Mid	Feb 3	
IASB SIGNIFICANT PROJECTS										
Insurance Contracts IFRS amendment issued on 25 June 2020	ED DCL July 2019	ED FCL Sept 2019	DEA							
Rate-regulated Activities (ED expected Q4 2020)	DP DCL Oct 2014	DP FCL Jan 2015								DCL
Disclosure initiative – Targeted Standards-level Review of Disclosures (ED expected H1 2021)										

Technical Work Plan July 2020 – January 2021

Project (IASB next steps in brackets)	Most recent status									
			Sept 25	Oct 8	Oct 30	Nov 17	Dec 17	Jan Mid	Feb 3	
Dynamic Risk Management (Core model outreach discussion Q4 2020)	DP DCL July 2014	DP FCL Oct 2014							Discuss results of field test of core model	
Financial Instruments with Characteristics of Equity (Decide project direction H2 2020)	DP DCL Aug 2018	DP FCL Feb 2019								
Goodwill and Impairment (End of comment period 31 December)	DP DCL May 2020						Project Update	DCL		
IBOR reform and its effects on financial reporting Phase 2 (Amendment issued in August)	DEA Aug 2020	ED FCL May 2020	FEA (additional meeting 14 September)							
Primary financial statements (ED issued Dec 2019, ED feedback expected H1 2021)	ED DCL Feb 2020			Project Update	FCL					
2020 Agenda consultation (Request for information expected H1 2021)										

Technical Work Plan July 2020 – January 2021

Project (IASB next steps in brackets)	Most recent status									
			Sept 25	Oct 8	Oct 30	Nov 17	Dec 17	Jan Mid	Feb 3	
IASB PROJECTS BY WRITTEN PROCEDURE: Implementation										
Accounting policies and accounting estimates (amend IAS 8) (IFRS amendment expected Q4 2020)	ED DCL Sep 2017	ED FCL Jan 2018						DEA (written procedure)		
Availability of a refund (amend IFRIC 14) (IFRS amendment rejected, decide project direction)	ED DCL July 2015	ED FCL Nov 2015								
Classification of liabilities as current or non-current (amend IAS 1) – 2 amendments (IFRS amendment January 2020; ED to postpone application date to 2023)	ED DCL Mar 2015 ED DCL May 2020	ED FCL Jun 2015 ED FCL June 2020	DEA (written procedure)							
Deferred tax related to assets and liabilities arising from a single transaction (amend IAS 12) (ED issued July 2019, Decide Project Direction)	ED DCL Sept 2019	ED FCL WP Nov 2019								

Technical Work Plan July 2020 – January 2021

Project (IASB next steps in brackets)	Most recent status									
			Sept 25	Oct 8	Oct 30	Nov 17	Dec 17	Jan Mid	Feb 3	
Disclosure initiative – Accounting policies (ED issued August 2019, ED feedback discussed February 2020, IFRS amendment expected Q4 2020)	ED DCL Oct 2019	Dec 2019 FCL						DEA (written procedure)		
Management Commentary Practice Statement (ED expected Q1 2021)										Project Update
Onerous contracts - Costs of fulfilling a contract (amend IAS 37)	DEA Jun 2020			FEA (written approval)						
PPE Proceeds before Intended Use (amend IAS 16)	DEA Jun 2020			FEA (written procedure)						
Provisions (Decide project direction)										
Subsidiaries that are SMEs (Discussion Paper or ED decision Q4 2020)										

Technical Work Plan July 2020 – January 2021

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			Sept 25	Oct 8	Oct 30	Nov 17	Dec 17	Jan Mid	Feb 3
Updating a reference to the Conceptual Framework (amend IFRS 3)	DEA Jun 2020			FEA (written procedure)					
Lease Liability in a Sale and Leaseback (amend IFRS 16) (ED Q4 2020)							DCL (written procedure)		
Annual Improvements 2018-2020 Cycle	DEA Jun 2020								
• Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (amend IFRS 9)				FEA (written procedure)					
• Lease Incentives (amend to illustrative example 13 accompanying IFRS 16)				Not applicable					
• Subsidiary as a First-time Adopter (amend IFRS 1)				FEA (written procedure)					
• Taxation in Fair Value Measurements (amend IAS 41)				FEA (written procedure)					

Technical Work Plan July 2020 – January 2021

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			Sept 25	Oct 8	Oct 30	Nov 17	Dec 17	Jan Mid	Feb 3
Lack of Exchangeability (Am. to IAS 21)	ED								
IASB PROJECTS: Research									
Business Combinations Under Common Control (DP Sept 2020)							DCL		
Extractive activities (Decide project direction H1 2021)									
Pension Benefits that Depend on Asset Returns (Review research Q4 2020)									
IASB Post-implementation reviews									
Consolidation package: IFRS 10, IFRS 11, IFRS 12 (review research Q4 2020)				Project Update					
IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>									

Technical Work Plan July 2020 – January 2021

Project (IASB next steps in brackets)	Most recent status								
		Sept 25	Oct 8	Oct 30	Nov 17	Dec 17	Jan Mid	Feb 3	
EFRAG RESEARCH PROJECTS									
General update				Update				Update	
Better Information on Intangible Assets									
Crypto-assets									
Discounting with Current Interest Rates									
EFRAG Research Variable and Contingent Consideration									