

This paper has been prepared by the EFRAG Secretariat for discussion at a public meeting of EFRAG TEG-User Panel. The paper forms part of an early stage of the development of a potential EFRAG position. Consequently, the paper does not represent the official views of EFRAG or any individual member of the EFRAG Board or EFRAG TEG-User Panel. The paper is made available to enable the public to follow the discussions in the meeting. Tentative decisions are made in public and reported in the 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.

Post-implementation Review of IFRS 10, IFRS 11, and IFRS 12 Cover Note

Objective

- 1 The objective of the session is to
 - (a) seek the views of EFRAG TEG and User Panel members on the IASB's **Request for Information on Post-implementation Review of IFRS 10, IFRS 11, and IFRS 12**; and
 - (b) discuss the preliminary input already received by EFRAG Secretariat.
- 2 The discussion will focus around Agenda Paper 07-02 which is a joint presentation of the IASB and EFRAG. The presentation includes both the feedback received by the IASB Staff, input already received by EFRAG Secretariat, and the questions for EFRAG TEG and User Panel to further discuss the matters subject to Request for Information.

Project background

- 3 In May 2011, the IASB published IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, and IFRS 12 *Disclosures of Interests in Other Entities*, revised IAS 27 *Separate Financial Statements* and revised IAS 28 *Investments in Associates and Joint Ventures* (**the Consolidation Package**).
- 4 In IFRS 10, the IASB introduced a single control model for consolidation. In IFRS 11, compared to IAS 31 *Interests in Joint Ventures*, the IASB eliminated the accounting options and proportional consolidation, and introduced the classification of, and accounting for, joint arrangements based on rights and obligations. In IFRS 12, the IASB introduced enhanced disclosure requirements.
- 5 In the European Union, the effective date of the Consolidation Package was delayed by one year to 1 January 2014.
- 6 In September 2019, the IASB started the PIR with the intention to focus on the matters that were important or contentious during the development of the standards; and any matters that have come to the attention of the IASB after the standards were issued. In December 2020, the IASB published the Request for Information (**the RFI**) which focused on the following topics:
 - (a) in relation to IFRS 10:
 - (i) power over an investee;
 - (ii) the link between power and returns, with a focus on identifying agency relationships;
 - (iii) accounting requirements, with a focus on changes in ownership interests; and

- (iv) the investment entity consolidation exception.
- (b) in relation to IFRS 11:
 - (i) collaboration arrangements outside the scope of IFRS 11;
 - (ii) the classification of joint arrangements as joint operations based on other facts and circumstances; and
 - (iii) accounting requirements, with a focus on joint operations.
- (c) in relation to IFRS 12, the quality of information an entity provides and whether and how well the disclosure objectives are met by an entity applying the requirements.

7 The RFI requests responses by **10 May 2021**.

Questions for EFRAG TEG members

- 8 What are EFRAG TEG and User Panel members reactions to the IASB's RFI?
- 9 Do EFRAG TEG and User Panel members have comments on the input already collected by EFRAG Secretariat?

Agenda Papers

- 10 In addition to this cover note - *Agenda Paper 07-02 – Outreach with EFRAG TEG and User Panel* – a joint presentation of the IASB and EFRAG has been uploaded for the session.