

Third Agenda Consultation

Objective and overview

THE IASB'S THIRD AGENDA CONSULTATION AND EFRAG'S PROACTIVE RESEARCH AGENDA

EFRAG, IASB, ACCOUNTANCY EUROPE,
BUSINESSEUROPE AND EFFAS JOINT WEBINAR

9 September 2021



EFRAG

European Financial Reporting Advisory Group



DISCLAIMERS

EFRAG

The views expressed in this presentation are those of the presenter, except where indicated otherwise. 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.

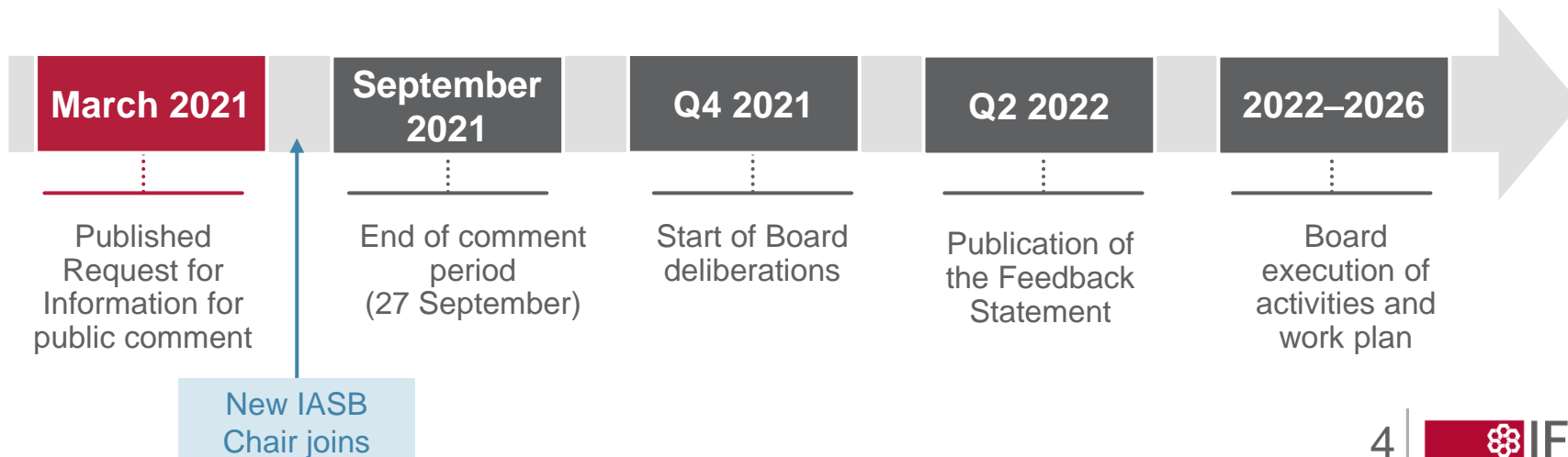
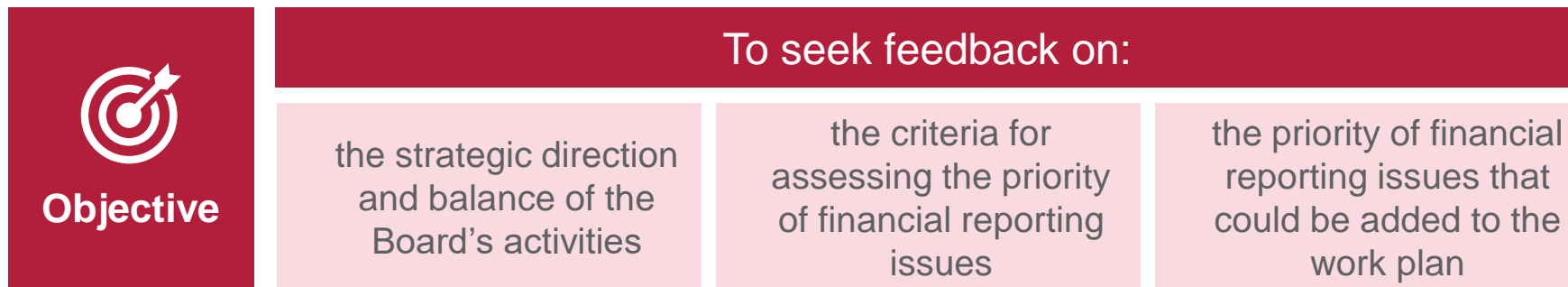
IASB

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Objective and timeline of the IASB's consultation



Setting the scene regarding the IASB's consultation

Third Agenda Consultation

Undertaken by the Board

- To seek feedback that helps the Board prioritise activities within the **current scope of the Board's work**
- The current scope of the Board's work is financial statements and management commentary for profit-oriented companies
- Final decisions to be made by Q2 2022

Strategy Review

Undertaken by the IFRS Foundation Trustees

- To explore a potential **expansion of the Foundation's role** through the creation of a new Board to set sustainability reporting Standards
- Final decisions to be made before the November 2021 United Nations COP26 conference

Trustees' decisions that affect the scope of the Board's work will be considered in finalising the Board's priorities and work plan

Overview of the IASB's Request for Information

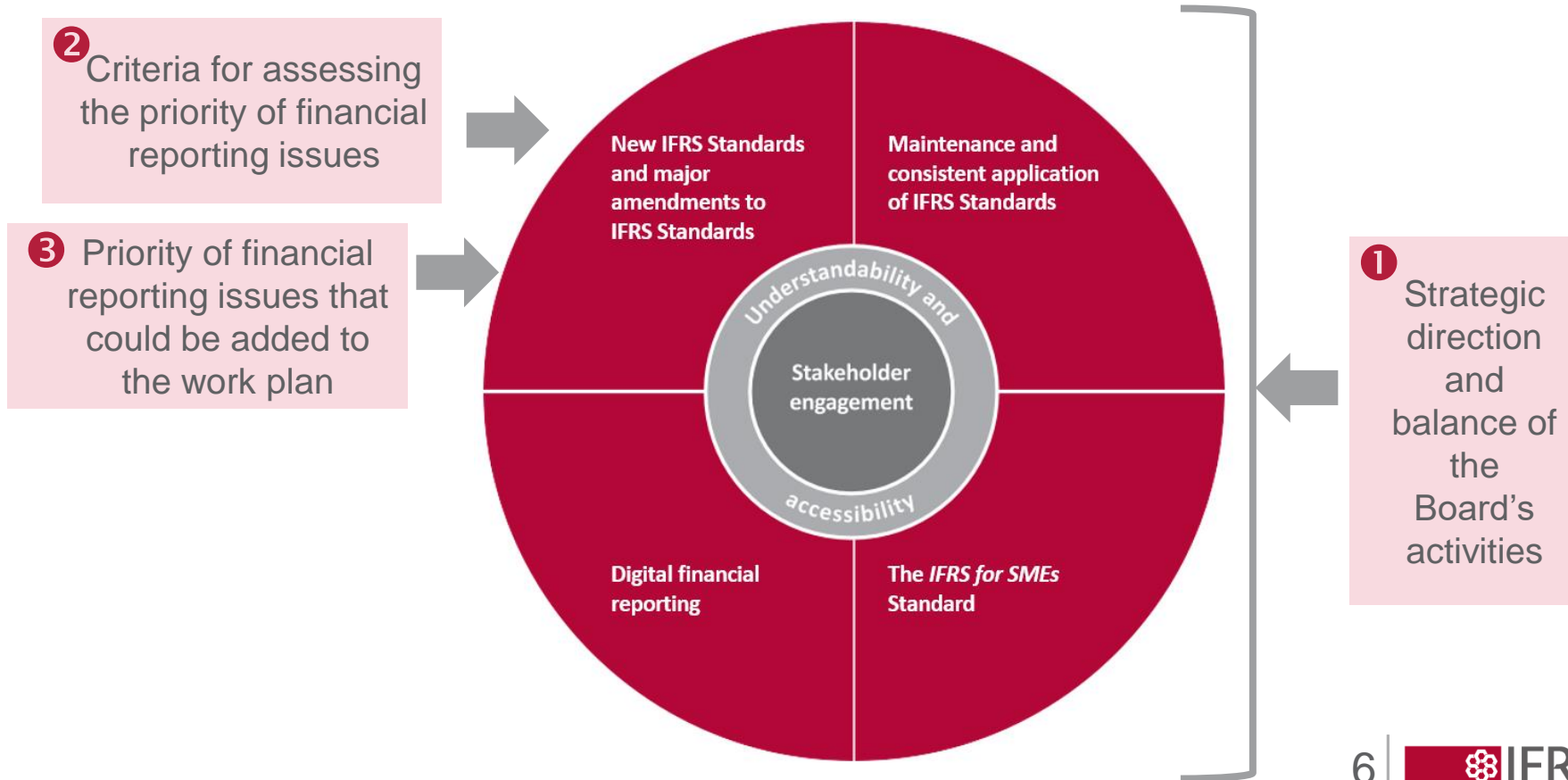


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Timeline EFRAG consultation

20 May 2021

Consultation DCL launched

- Joint consultation on the IASB's future agenda and EFRAG's proactive research agenda
- Answers possible through letter or via the survey

17 September 2021

Closing of comment period

- Supporting webinar on 9 September 2021
- CFSS member inputs on 15 September 2021

27 September 2021

End of IASB consultation

EFRAG's view on the overall balance of the IASB's activities

- EFRAG agrees with the overall balance of the main activities of the IASB
- The activities in relation to digital reporting could be increased as well as a project on the effect of technology on standard setting.
- Connectivity between financial reporting and sustainability reporting should be identified as an additional and separate area of activity of the IASB.
- Give priority to finalising major projects and the required post-implementation reviews (PIR's)
- Set aside capacity to react to emerging and unforeseen issues



Strategic direction and the proposed criteria for assessing the priority of financial reporting issues

Strategic direction and balance of the IASB's activities

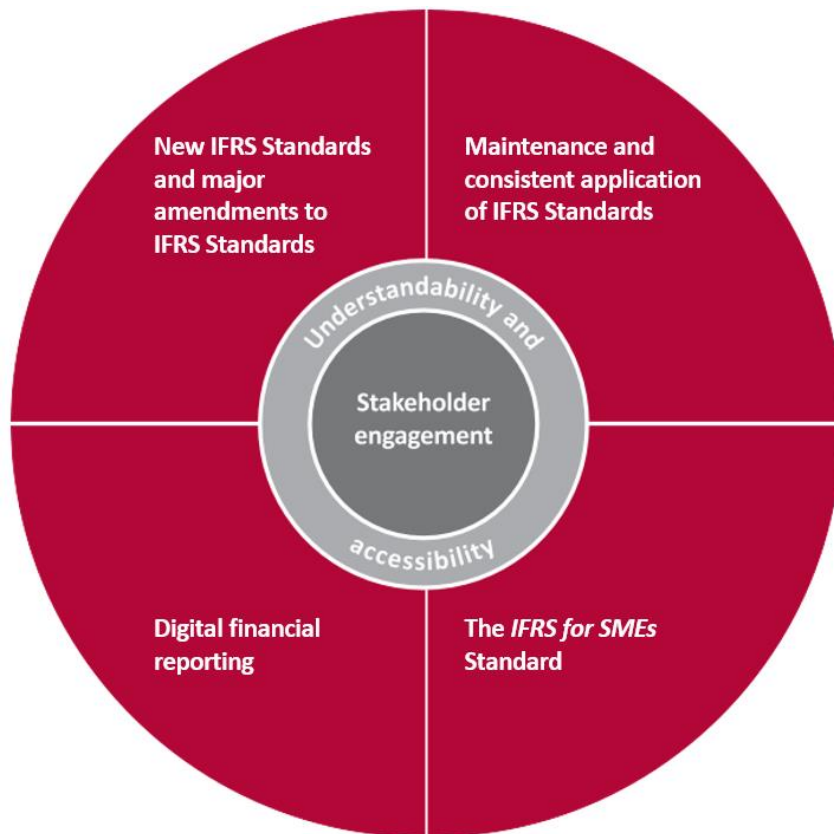


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Helping stakeholders respond on the balance of activities of the IASB

Current level of focus on each activity	
New IFRS Standards and major amendments to IFRS Standards	40%–45%
Maintenance and consistent application of IFRS Standards	15%–20%
The <i>IFRS for SMEs</i> Standard	5%
Digital financial reporting	5%
Understandability and accessibility	5%
Stakeholder engagement	20%–25%



The IASB's proposed criteria

Overarching consideration—whether a potential project will meet investors' needs, while taking into account the costs of producing the information

the importance of the matter to **investors**

whether there is a **deficiency** in current reporting

the **type of companies** affected and jurisdictions where the matter is more prevalent

how **pervasive** the matter is

the potential project's **interaction with other projects**

the **complexity and feasibility** of the potential project and its solutions

the **capacity** of the Board and its stakeholders to progress the potential project

Keep in mind that the range and subjectivity of any specified criteria means that prioritising potential projects will require judgment—i.e. it cannot be an exact science

Criteria for assessing priority

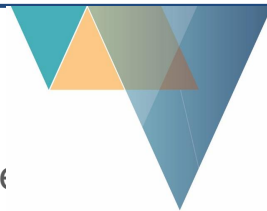
CRITERIA PROPOSED BY THE IASB

- Importance of the matter to investors
- Whether there is any deficiency in the way companies re

- Type of companies being affected
- Pervasiveness or acuteness of the matter

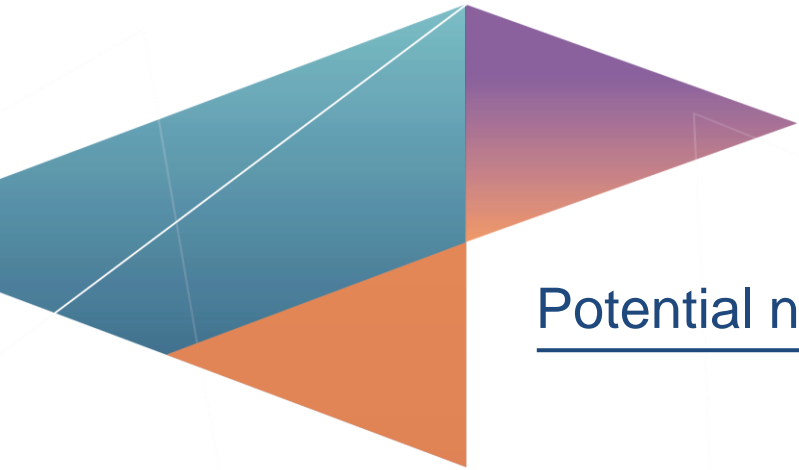
- Interaction of the project with other projects
- Complexity and feasibility of the potential project and its solutions

- Capacity of the IASB and stakeholders.



Criteria for assessing priority

- EFRAG additionally suggests considering:
 - the use of non-GAAP information; and
 - whether evidence of structuring opportunities exists and needs to be addressed
- EFRAG requests an explanation of how the IASB assesses and reconsiders priorities.



Potential new projects

IASB's work plan priorities for 2022–2026

2022-2026 work plan priorities

Continue projects already on the work plan	Conduct required post-implementation reviews	Undertake any time-sensitive projects	Add new projects to the work plan
<ul style="list-style-type: none">Stakeholders have previously identified them as prioritiesRe-prioritising could lead to inefficient starts and stops	<ul style="list-style-type: none">IFRS 10, 11 and 12IFRS 9IFRS 15IFRS 16	<ul style="list-style-type: none">Urgent projects that may arise after this consultationFor example, the IBOR Reform projects that arose after the 2015 Agenda Consultation	<ul style="list-style-type: none">The IASB expects to add 2–3 large projects, or 4–5 medium-sized projects, or 7–8 small projects, if the IASB continues to spend 40%–45% of its resources on this activity

Projects described in the IASB's Request for Information



What priority would you give each potential project—high, medium or low—and why?

Described projects*

Borrowing costs	Climate-related risks	Commodity transactions	Cryptocurrencies and related transactions	Discontinued operations and disposal groups
Discount rates	Employee benefits	Expenses (Inventory and cost of sales)	Foreign currencies	Going concern
Government grants	Income taxes	Inflation	Intangible assets	Interim financial reporting
Negative interest rates	Operating segments	Other comprehensive income	Pollutant pricing mechanisms	Separate financial statements
Statement of cash flows and related matters			Variable and contingent consideration	

* You can read the description of a potential project by clicking on the project title.

EFRAG's view on priority of accounting projects

PRELIMINARY VIEW ON PRIORITIES

- Connecting financial and sustainability reporting
- Crypto – assets and related transactions
- Discontinued operations and disposal groups
- Intangible assets
- Statement of cash flows
- Variable and contingent consideration



EFRAG's view on priority of accounting projects

ENHANCE COOPERATION BETWEEN THE IASB AND OTHER STANDARD SETTERS

EFRAG pleads for more cooperation between the IASB and other regional and national standard setters

- Creating synergies in research and local knowledge
- More swiftly addressing existing accounting issues.





EFRAG's proactive research agenda

Future EFRAG proactive research activities

PRELIMINARY VIEW ON WHICH TOPICS TO CONSIDER

- The projects European constituents find most important for the IASB to consider.
- Projects that would be particularly suitable for an EFRAG proactive research project:
 - connecting financial and sustainability reporting
 - digital reporting
 - segment reporting
 - supply chain financing.



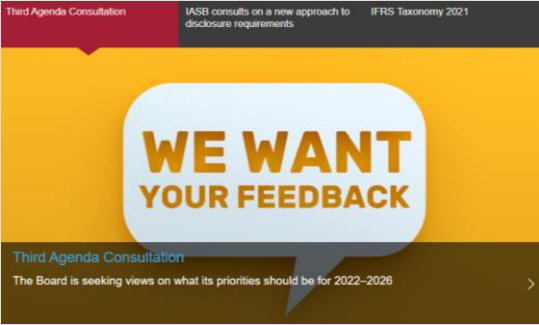
Published IASB materials



March 2021
International Accounting Standards Board
Request for Information
Third Agenda Consultation
Comments to be received by 27 September 2021
IASB IFRS

[Request for Information](#)

The Request for Information is available for download on the Third Agenda Consultation [project webpage](#).



Third Agenda Consultation IASB consults on a new approach to disclosure requirements IFRS Taxonomy 2021

WE WANT YOUR FEEDBACK

Third Agenda Consultation
The Board is seeking views on what its priorities should be for 2022–2026

[Press release](#)



March 2021
International Accounting Standards Board
The International Accounting Standards Board's Agenda Consultation—An Opportunity for Investors to Weigh In
Third Agenda Consultation—an overview
Request for Information published by the International Accounting Standards Board
IASB IFRS

[Videos and articles](#)

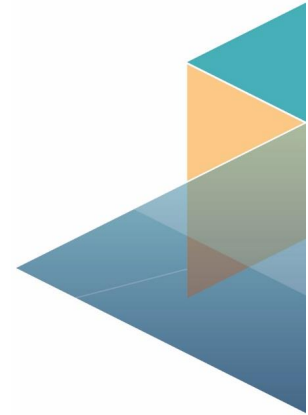
How to comment

- Submit a comment letter:
 - ✓ Online at: <https://www.ifrs.org/projects/open-for-comment/>
 - ✓ By email to: commentletters@ifrs.org
- Complete a survey: <https://ecv.microsoft.com/sDvxcZ9hrt>

Participate in the consultation!

LET US HEAR YOUR VIEWS !

- Read our [joint consultation document](#) and submit a comment letter.
- Participate in the [survey](#).



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