

This paper has been prepared by the EFRAG Secretariat for discussion at a public meeting of EFRAG FR TEG. 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 FR Board or EFRAG FR TEG. 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 FR Board, are published as comment letters, discussion or position papers, or in any other form considered appropriate in the circumstances.

Post implementation review IFRS 10, IFRS 11 and IFRS 12 Cover Note

Objective

- 1 The objective of this session is to inform the EFRAG FR TEG on the outcome of the IASB post implementation review of IFRS 10, IFRS 11 and IFRS 12 (the PIR).

Background of the IASB project

- 2 According to the Due Process Handbook, the IASB is required to conduct a Post-implementation Review of each new Standard. The IASB conducted the PIR of IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities* between September 2019 and June 2022.
- 3 IASB issued a [request for information](#) (RFI) in December 2020.
- 4 EFRAG provided a [response to the RFI](#) in Mai 2021.
- 5 In June 2022 the IASB finalised the PIR by publishing its [Project Report and Feedback Statement](#) on the Post-implementation Review of IFRS 10, IFRS 11 and IFRS 12.
- 6 As part of the PIR, IASB has now developed a methodology for assessing the feedback received in a Post-implementation Review. This methodology is presented on page 7-8 of the Project Report and Feedback Statement.
- 7 The methodology was presented to the FR TEG for discussion in the 16 February 2022 meeting.

IASB conclusion in the PIR

- 8 The IASB concluded that IFRS 10, IFRS 11 and IFRS 12 are working as intended after considering the evidence gathered in the second phase of the PIR.
- 9 Based on its analysis and deliberation of the feedback, the IASB decided that topics identified in the Post-implementation Review were not of high enough priority to be added to the IASB's work plan of active projects or research pipeline for 2022 to 2026.
- 10 The IASB assessed none of the matters arising from the PIR to be of high or medium priority. The IASB assessed five matters to be of low priority and these could be explored if identified as priorities in the next agenda consultation. These are:
 - (a) subsidiaries that are investment entities;
 - (b) transactions that change the relationship between an investor and an investee;
 - (c) transactions that involve 'corporate wrappers';

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- (d) collaborative arrangements outside the scope of IFRS 11; and
 - (e) additional disclosures about interests in other entities
- 11 The IASB decided no further action was required on other matters identified in the PIR. The IASB observed that:
- (a) if stakeholders need further guidance, they are encouraged to submit application questions meeting the submission criteria to the IFRS Interpretation Committee; and
 - (b) other matters exhibited few or none of the characteristics required to qualify as priorities, for example, the IASB noted that only a few respondents raised a concern about IFRS 11 eliminating proportionate consolidation for joint ventures.
- 12 The IASB has decided that sufficient work has been completed to conclude the PIR.

Messages in [the EFRAG response to the RFI](#)

- 13 The EFRAG response to the RFI to the request for information in the PIR did not contain positions by EFRAG but provided to the IASB a list and description of issues heard from EFRAG constituents.
- 14 In the EFRAG CL it was stated “EFRAG Secretariat notes that this report does not express EFRAG’s assessment of the reported issues, nor it reports a position, such as specific requests from EFRAG for action by the IASB. Moreover, this report has not gone through the entire EFRAG’s due process and therefore should not be considered as approved by the EFRAG Board.”

EFRAG Secretariat recommendation

- 15 Considering the input received from constituents, the EFRAG Secretariat agrees with the IASB to close the PIR.

Questions for EFRAG FR TEG/CFSS/User Panel/Board

- 16 Does EFRAG FR TEG have any comment to the description of the closing of the PIR?

Next steps

- 17 As this PIR is now closed no further steps are planned from the EFRAG Secretariat.

Agenda Papers

- 18 In addition to this cover note, agenda paper 08-02 – *EFRAG CL on RFI IFRS 10, IFRS 11 and IFRS 12* and agenda paper 08-03 – *Project Report and Feedback Statement IFRS 10, IFRS 11 and IFRS 12*, has been provided for background information only.