

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 FRB 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 FRB, are published as comment letters, discussion or position papers, or in any other form considered appropriate in the circumstances.

Financial Instruments with Characteristics of Equity

Cover Note

Introduction and objective

- 1 The objective of the session is for the EFRAG Secretariat to provide a summary of the preliminary survey results to EFRAG FR TEG on the IASB's Exposure Draft *Financial Instruments with Characteristics of Equity* ('FICE'). EFRAG FR TEG will also be provided with an overview of the outreaches that have been conducted on FICE.
- 2 At the EFRAG FR TEG meeting on 19 January 2024, it was decided to combine the online survey with the extensive field test because participants would not have enough time to do an extensive field-test. Therefore, the survey questions were more qualitative in nature but allowed participants to provide quantitative information if readily available. The deadline for the survey was 8 March and 11 responses were received.
- 3 Also, there were two outreach events that were held:
 - (a) ASCG (The Accounting Standards Committee of Germany) together with AFRAC (Austrian Financial Reporting Advisory Committee) and EFRAG on 4 March; and
 - (b) OIC (Italian Standard Setter) together with EFRAG on 12 March.

Next steps

- 4 The deadline to submit replies to EFRAG's DCL is **20 March 2024**.
- 5 The EFRAG Secretariat currently expects that EFRAG FR TEG will recommend the Final Comment Letter ("the FCL") for the EFRAG FRB's approval in the beginning of April, i.e., **3 April 2024** and, if necessary, **5 April 2024**. EFRAG FRB is expected to approve the FCL during the meeting which is currently being planned for **10 April 2024**.

Agenda papers

- 6 In addition to this cover note, the agenda paper for this session is Agenda paper 02-02 Summary of survey results is provided for the session.

Questions for EFRAG FR TEG members

- 7 Does EFRAG FR TEG have any questions or comments on the summary or the survey results?
- 8 Based on the survey results, does EFRAG FR TEG have any initial directions for the EFRAG Secretariat when updating the draft comment letter? Please explain.