22 June 2023
Agenda Paper 10

IASB General Update

Executive Summary

Project Type	Monitoring
Project Scope	Various
Purpose of the paper	
This paper provides the Board with an update on projects the Secretariat is currently monitoring, including the work of the IFRS Interpretations Committee. As agreed with the Board, the Secretariat monitors projects being undertaken by the IASB and IFRS Interpretations Committee. This is undertaken to inform the Board about the progress and decisions being made by the IASB on active projects. Discussion by the Board may also help inform interactions with international standard setter meetings, including the IASB's Accounting Standards Advisory Forum (ASAF).	
Summary of the Issue	
The topics identified for discussion this month are included in the agenda for the July 2023 ASAF meeting. Other topics are presented for noting. **Topics for discussion at the July ASAF meeting:** In addition to the three topics identified below, the ASAF agenda includes *Provisions – Targeted Improvements* and *Primary Financial Statements*, addressed as separate agenda items in this UKEB meeting, and *Equity Method*, which was addressed at the UKEB's May meeting. Although also included in the July ASAF agenda, the topic *Business Combinations – Disclosures, Goodwill and Impairment* is presented for noting only as at ASAF this will consist of an education session. **Topics identified for discussion:** • Intangibles • Business Combinations Under Common Control • Climate-related Risks in the Financial Statements **Topics identified for noting:** • Business Combinations – Disclosures, Goodwill and Impairment • Rate-regulated Activities • Financial Instruments with Characteristics of Equity • Annual improvements • IFRS Interpretations Committee Update At its May meeting, the IASB also discussed the project *Subsidiaries without Public Accountability: Disclosures*. The Secretariat will provide an update on this project at the	

UKEB's July meeting, covering all the IASB's discussions from April, May and June 2023.

In addition, the Secretariat will provide information on the IASB's recent discussions on the project *Dynamic Risk Management* at future UKEB meetings.

Decisions for the Board

The Board is not asked to make decisions on any of the topics presented in this paper.

However, the Board is asked for its views on the following questions:

Items for discussion

Board members are asked the following questions regarding the **topics for discussion**:

Intangibles **(Agenda Paper 10: Appendix A):**

1. Do Board members have views on the scope of any future IASB intangibles project?
    a) Comprehensive review of IAS 38
    b) Staged comprehensive review of IAS 38
    c) Limited review of IAS 38
    d) Develop new, specific standards
2. Are there approaches the IASB could consider that would support timely delivery of the project?

Business Combinations under Common Control **(Agenda Paper 10: Appendix B):**

1. What **problems** do you think are caused by the gap in IFRS Accounting Standards for reporting BCUCCs?
    a) Since the project was added to the IASB's agenda in 2007, is practice largely settled or are there significant challenges in accounting for BCUCCs?
    b) Do you have specific examples where the reporting for a BCUCC resulted in financial statements that were misleading or failed to provide useful information about the BCUCC? How common are such examples?
2. Which of the following **options** do you think the IASB should choose for the future direction of the BCUCC project?
    a) Option 1: Develop recognition, measurement and disclosure requirements.
    b) Option 2: Develop disclosure requirements only.
    c) Option 3: Discontinue the project.

***Climate-related Risks in the Financial Statements* (Agenda Paper 10: Appendix C):** 1. Nature of concern: a) What concerns do you have about the reporting of climate-related risks in the financial statements? b) How prevalent is the issue in the UK? 2. What are the causes of the concerns you identified in Question 1? 3. Courses of action: a) How could the IASB address these concerns? b) Do you think the benefits may outweigh the costs of those actions? 4. Should the IASB consider expanding the scope of the project to cover: a) Risks in addition to those related to climate? b) Opportunities as well as risks? **<u>Items for noting</u>** 5. Do Board members have any questions or comments on the updates for noting?
Recommendation
N/A
Appendices
Appendix A Intangibles Appendix B Business Combinations under Common Control Appendix C Climate-related Risks in the Financial Statements Appendix D Business Combinations – Disclosures, Goodwill & Impairment Appendix E Rate-regulated Activities Appendix F Financial Instruments with Characteristics of Equity Appendix G Annual Improvements Appendix H IFRS Interpretations Committee Appendix I List of IASB Projects

UK Endorsement Board

Appendix A: Intangibles

UKEB Project Status: Monitoring **IASB Next Milestone:**	

Background

A1. The UKEB has been invited to present the recent research on Intangibles at the Accounting Standards Advisory Forum (ASAF) on 10 July 2023.

A2. The ASAF session on intangibles is currently scheduled to take place over two hours. The first hour will be a presentation by EFRAG representatives summarising the feedback received on the EFRAG Discussion Paper "Better Information on Intangibles – Which is the Best Way to Go?" and the recommendations in response to the feedback.

A3. For the second hour UKEB has been asked to make a presentation based on the UKEB report "Accounting for Intangibles: UK Stakeholders' Views" (UKEB qualitative research report), which may include a consideration of how the IASB might proceed on its project on intangibles, including how it might scope the project.

A4. This presentation will also be an opportunity to explore some key themes to emerge from the research with the other ASAF members and hear their views on the possible future directions for the IASB, specifically around the scope of the project.

A5. It is not intended that that this discussion will present a UKEB position; however, it would be useful to hear Board views on the proposed topics to inform the discussion.

The scope of an intangibles project

A6. This project was added to the IASB pipeline in response to the IASB's Third Agenda Consultation.

A7. Three possible approaches to the scope of the project have emerged: a comprehensive review, narrower disclosure focused amendments, or developing new, targeted, standards. These are similar to the approaches that have also been discussed by EFRAG in their Intangibles Project.

A Comprehensive Review

A8. The UKEB's Comment letter to the IASB recommended that Intangibles be treated as a high priority project that should involve a comprehensive review of IAS 38, noting that (**emphasis added**):

> "Our outreach with stakeholders … indicated that intangible asset reporting is a key area for development. **A comprehensive review of IAS 38 *Intangible Assets* is necessary** to address the extent to which it captures relevant information on intangibles, including crypto-currencies, pollutant pricing mechanisms, software, and development costs, particularly in relation to value creation through scientific and technological innovation. The project should also consider whether more relevant information would be provided if intangible assets held for investment or for trading, such as crypto-currencies or pollutant pricing mechanisms, were addressed within the scope of other IFRS Standards."

A9. The IASB's Feedback Summary on the Third Agenda Consultation noted (pages 11 -12) that:

> "Most respondents to the Request for Information commented on [intangibles] and most of them rated it as high priority. Feedback indicates that a project on Intangible Assets is important to users of financial statements—many users who commented on this potential project rated it as high priority.
>
> …
>
> The IASB acknowledges that a comprehensive review of IAS 38 will be a large and complex project for the IASB and its stakeholders. To make such a large project more manageable and to allow more timely progress, this project could be undertaken in stages. For example, such stages could comprise:
>
> - the development of enhanced disclosure requirements, including disclosures about unrecognised intangible assets;
> - a review of the scope of IAS 38 to consider whether some recognised intangible assets, including intangible assets held for investment purposes or traded (for example, cryptocurrencies), should remain within the scope of IAS 38 or be included in the scope of another Accounting Standard;
> - a review of the definition of an intangible asset and recognition criteria in IAS 38; and

> - a review of the measurement requirements for intangible assets within the scope of IAS 38, including the criteria for when the revaluation model is permitted."

A10. The feedback from many UK stakeholders included in the UKEB qualitative research report supported a more comprehensive review of IAS 38 utilising a principles-based approach that would address the widest range of intangibles.

> "There has been a rise in intangibles, resilience, networks, brand value etc, and the accounting is bad at capturing this, along with the creative process. This problem will grow as the economy continues to move towards intangibles. If you want accounting to remain relevant there should be a solution". (Analyst)

A11. The following is a representative quote, from an investor, of the types of comments we heard in favour of taking a principle-based approach:

> "I am nervous about having too many rules and trying to create bright lines. A principles-based approach is better. If you set a bright line people find ways to bend the rules. Principles usually lead to greater discipline in the accounting. I would prefer something that is more aligned with the conceptual framework. Is there really an asset here? Then we can think about the appropriate measurement". (Investor)

A12. While a comprehensive review of IAS 38 is clearly favoured by stakeholders, as noted by the IASB this has the potential to be a significant and lengthy project that could potentially take years to complete.

A13. The staged approach proposed by the IASB is intended to address this concern by providing various outputs across the project life cycle.

Narrower disclosure focused amendments

A14. The IASB could take a much narrower approach, identifying and addressing the most significant concerns of stakeholders and making the minimal necessary amendments to IAS 38 (or other standards) to address those concerns.

A15. This would likely focus on disclosure, which was a major theme to emerge from the UKEB's own qualitative research report.

> "Disclosure was a recurring theme in discussions with stakeholders and it is likely to be key to any future standard setting in this area. Not only was it raised by all stakeholder categories, but it also emerged that it has driven some

> stakeholders away from relying on the annual report, instead hunting for the information they need elsewhere."

A16. Enhanced disclosure on intangibles, particularly around the many items that are currently not capitalised under IAS 38, appears to offer an opportunity to address the significant concerns of stakeholders.

> "Stakeholders noted that there are virtually no requirements to disaggregate and provide granular information about intangible expenditure which is expensed. One interviewee, for example, indicated, "At the moment so much to do with intangibles is lumped together and this is problematic. Investors are trying to strip out the value of the information on intangibles from the financial statements. At the very least cash flow provides you with the best starting information" (Investor).
>
> Given that most internal expenditure on intangibles is currently required to be expensed, we heard numerous comments that the current disclosure requirements are inadequate. For example:
>
> a) "Even if you continue to expense (but balance sheet recognition would be better) there isn't enough granularity in the disclosures". (Preparer)
>
> b) "The expenses are not disaggregated enough. You might see R&D and advertising. You won't see training". (Auditor)
>
> c) "If they expense you don't get information about why they expensed. Why were expenses not capitalised"? (Academic)"

A17. Users of financial statements were particularly interested in a disclosure-focused solution:

> "The view that more granular disclosures would improve the accounting for intangibles was raised by virtually all users interviewed, for example:
>
> a) "We spend a lot of time trying to figure out the intangible spend. Enhanced disclosure on expenses would be useful, like a breakdown of research and development and clear identification of marketing expenses". (Analyst)
>
> b) "Sell-side do not really care about what is in the balance sheet. It is retrospective, the value comes from the future. We just want better break downs of [expense] information to help us extrapolate". (Analyst)

c) “Forecasting cashflow is easier when we understand marketing spend.” (Investor)”

A18. It would be easy to conclude that the IASB should almost exclusively focus on disclosure. However, this risks missing out on the advantages of accrual accounting, with its underpinning of measurement and recognition, and the way it is more deeply embedded into the systems of an organisation. Disclosure alone can sometimes end up an afterthought and compliance activity, meaning that users do not have the same confidence in the information.

A19. Some of this was discussed in the UKEB’s qualitative research report:

> “A cornerstone of accounting is that accrual accounting provides better information to support decision making by users.
>
> Accrual accounting tells the story of the transaction and the flows arising from it. It records the cash flow (expenditure); capitalising that expenditure provides a cumulative record of what has been spent; amortisation gives an indication of how much of that expenditure has been ‘used up’ and the period over which the entity expects to continue to obtain benefits; and impairment provides information about changes in expectations.
>
> This fundamental concept and its application to intangibles was reflected in many of the stakeholder interviews, even in instances where they did not specifically use the term “accrual accounting”.
>
> At a basic level, stakeholders indicated that information about intangibles is important, not only because they are becoming increasingly prevalent but also because they are key drivers underpinning future profits and business value.
>
> Enhancing recognition of intangibles through capitalisation could be one way to provide useful information. As one analyst noted, “my plea for intangibles would be to require management to account for what is happening internally, we should be capturing internal activities. Core spending on intangibles should be capitalised”.”

Developing new, targeted, standards/amendments

A20. A different approach, that was mentioned by some stakeholders, would be to develop specific, targeted, standards (or amendments). Two approaches seem to be emerging either focused on types of assets (such as cryptocurrency or pollutant pricing mechanisms) or classes of assets (such as relationship assets or technology assets).

A21. With regard to separate standards for different types of intangibles the UKEB qualitative research report identified an approach based on broader classes of intangibles, but the same risks noted there could apply to an approach on specific types of intangibles:

> "Another potential solution, suggested by a preparer, was the development of specific standards, or at least separate requirements within a single standard, for specific classes of intangibles: "Key types of intangibles around which standards (or requirements) could be developed are: (i) Relationship intangibles (including workforce); (ii) Technology related intangibles; (iii) Artistic intangibles; (iv) Brand/trademark intangibles; and (v) Workforce and human capital". (Preparer)
>
> This approach could risk reinforcing some of the concerns raised about current accounting for intangible items in the earlier sections. Developing separate standards (or separate requirements) for specific categories of intangibles (no matter how broad) carries with it the risk that the identified items (or classes of items) may become irrelevant as the economy and business models develop and new types of intangibles arise. In addition, a classification based on type can potentially introduce inconsistencies between relatively similar types of assets (research and development under IAS 38 versus exploration and evaluation of mineral resources under IFRS 6 for instance)."

A22. A question that arises is how the IASB would determine which types/classes of assets to prioritise.

'Pros and Cons'

A23. The following table provides a brief summary of some 'pros and cons' of each approach for scoping a standard-setting project on intangibles:

Approach	Pros	Cons
Comprehensive Review	• Address most concerns • Modernise accounting for intangibles • Future proofing • Embedded into processes and verified	• Difficult project • Potential to take a lot of time and resource • May not have support of all stakeholders • Fatigue
Staged Review	• Allows for most urgent matters to be addressed first • Address most concerns • Modernise accounting for intangibles • Future proofing • Embedded into processes and verified	• May limit options for improvement in later stages • May lead to cross cutting inconsistencies within IFRS standard • Confusing for stakeholders • Difficult project • Potential to take a lot of time and resource • May not have support of all stakeholders • Fatigue
Disclosure Focussed Amendments	• Provides many of the main benefits users are requesting • Less resource and time	• Recent history of disclosure-only projects being less successful • May lead to cross cutting inconsistencies within IFRS standard • Does not address underlying concerns • Risks not being embedded into systems and processes.
Developing new, targeted, standards/ amendments	• Addresses most urgent needs of stakeholders • Less resource and time	• Moves away from principle-based accounting • Risks introducing inconsistency • Complicates accounting • How to prioritise • "Fighting the last war"

UK Endorsement Board

Questions for the Board on Intangibles
1. Do Board members have views on the scope of any future IASB intangibles project? a) Comprehensive review of IAS 38 b) Staged comprehensive review of IAS 38 c) Limited review of IAS 38 d) Develop new, specific standards 2. Are there approaches the IASB could consider that would support timely delivery of the project?

UK Endorsement Board

Appendix B: Business Combinations Under Common Control

UKEB Project Status: Monitoring **IASB Next Milestone:** Seek feedback from IASB consultative groups before continuing discussions.	**UKEB project page** **UKEB Final Comment Letter** **(Published September 2021)**

Background

B1. In previous updates the Board was informed that the IASB has been considering feedback on the preliminary views included in the **Business Combinations Under Common Control (BCUCC) Discussion Paper** (DP) published in November 2020 (comment period closed 1 September 2021).[1]

B2. In June 2022 and November 2022, the IASB discussed the principle for selecting which measurement method(s) a receiving entity would apply to BCUCCs and whether a receiving entity would be permitted or required to apply a different measurement method. No decisions were made on this workstream.[2]

B3. So far, the IASB has only made tentative decisions to (i) update the project objective (i.e. to reflect the stage of the project and emphasise that users' needs are being considered) and (ii) not expand the scope of the project. A summary of tentative decisions is included in IASB Agenda Paper 23 (April 2023).

Purpose of this update and questions for ASAF members

B4. At this meeting we are seeking the Board's views on the future direction of the BCUCC project. This topic was discussed at the April 2023 IASB meeting and it will be discussed at the July 2023 ASAF meeting[3]. The input received from the Board will help inform the UKEB's feedback to the IASB at this ASAF meeting.

B5. The IASB is seeking information from ASAF members on the following questions:

---

1 Our latest updates to the Board are included in IASB General Update (November 2022) (paragraphs 18–20 and Appendix B) and in IASB General Update (December 2022) (paragraphs 50–54).

2 Link to **ASAF agenda papers** (AP): AP5 (Cover paper), AP5A (Project Direction) and AP5B Project Direction–Book–value method.

3 The preliminary views in the DP are to require a receiving entity to apply, in principle, (a) the acquisition method to BCUCCs that affect non-controlling shareholders (NCS) of the receiving entity and (b) a book-value method to BCUCCs that do not affect NCS.

Questions for ASAF members (page 5 of ASAF agenda paper 5)

1. *What problems are caused by the gap in IFRS Accounting Standards for reporting BCUCCs? Since the project was added to the IASB's agenda in 2007, is practice largely settled or are there significant challenges in accounting for BCUCCs?*

2. *Do you have specific examples where the reporting for a BCUCC resulted in financial statements that were misleading or failed to provide useful information about the BCUCC? How common are such examples?*

3. *Considering the* [IASB] *criteria for standard-setting projects* [see paragraph B7(a) in this paper]*, which option do you think the IASB should choose for the future direction of the BCUCC project?* [see paragraph B7(b) in this paper].

B6. We welcome any comments on these questions. To aid this discussion we provide below a summary of the IASB's April 2023 discussions.

IASB discussions on the future direction of the BCUCC project[4]

B7. The April 2023 IASB discussions focused on the assessment of:

a) The **IASB criteria for standard-setting projects**[5] in the context of the **BCUCC project**. A summary of this assessment as well some commentary specific to the UK is included in **Annex 1** of this paper which concludes that the financial reporting issues that the BCUCC research project is currently addressing are not material in the UK.

b) **Three options** for the future direction of the BCUCC project[6]. The options considered were:

i. **Option 1:** Develop recognition, measurement and disclosure requirements.

ii. **Option 2:** Develop disclosure requirements only.

---

4 These discussions are based on the following IASB staff papers (April 2023 meeting): Agenda Paper 23A–Project direction and Agenda Paper 23B–Book-value method and on the outcome of the IASB's discussion at this meeting.

5 This assessment is based on the criteria included in paragraph 5.4 of the IASB and IFRS Interpretations Committee Due Process Handbook (IASB DPH), which considers (emphasis added): "whether there is a **deficiency** in the way particular types of transactions or activities are reported in financial reports; (b) the **importance of the matter to those who use financial reports**; (c) the **types of entities likely to be affected** by any proposals, including whether the matter is more prevalent in some jurisdictions than others; and (d) **how pervasive or acute** a particular financial reporting issue is likely to be for entities".

6 This assessment considered the analysis of IASB criteria for standard-setting projects (see paragraph B7(a)).

iii. **Option 3:** Discontinue the project.

Challenges identified for each option

B8. In discussion several challenges were identified for the options presented (see paragraphs B9–B13). The IASB Chair observed that these challenges would be difficult to mitigate to the satisfaction of all relevant stakeholders. IASB members did not rule out Option 3 (discontinuing the project) due to the challenges identified for the two previous options and because there is no significant demand for change on current practices.

Option 1–Developing recognition, measurement and disclosure requirements

B9. This approach would involve developing detailed requirements as anticipated in the DP (i.e. selecting the measurement method, developing new exceptions and disclosures as well as application guidance).

B10. Challenges identified for this option are that:

a) It requires significant resources and significant standard-setting efforts as it would entail different workstreams.

b) The application of this approach raises questions about whether the BCUCC project would be able to meet user information needs globally and/or reduce diversity in practice because if the IASB decides:

i. To develop requirements in line with the preliminary views in the DP (i.e. application of different measurement methods depending on specific circumstances) this approach would not result in one method applying to all BCUCCs and consequently would not necessarily reduce the diversity in practice.

ii. To prescribe one method to apply to all BCUCCs this is unlikely to meet all users' information needs.

iii. To allow a choice of methods, this might meet user information needs in a particular jurisdiction[7] but wouldn't reduce diversity or always meet user information needs.

c) There is no consensus on which book values should be used and/or on how pre-combination information should be restated.[8]

---

[7] For example, some users support the use of a book-value method for a BCUCC that affects NCS instead of the acquisition method as proposed in the DP. In other jurisdictions such as China, where BCUCCs are prevalent, users support the use of the book-value method in all cases as it provides them with comparable information over time for their trend analysis.

[8] These points are further discussed in the ASAF agenda Paper 5B–Book-value method.

Option 2–Developing disclosure requirements only

B11. This approach would involve either developing general disclosure requirements, regardless of the measurement method applied, (e.g. disclosure of the recognised amounts for each class of asset received and liability assumed); or developing specific disclosure requirements depending on the specific method applied (e.g. disclosures about acquired goodwill or about which book values have been used).

B12. Challenges identified for this option are that:

a) Entities will develop their own accounting policies for recognition and measurement of BCUCCs, which would not reduce diversity in practice.

b) Option 2 will not meet users' needs if users prefer different methods to the ones an entity chooses to apply.

c) Developing disclosures would require further research to understand users' needs (which would extend the project duration).

Option 3–Discontinuing the BCUCC project

B13. Challenges identified for this option are that:

a) It would not improve the diversity of reporting for BCUCCs.

b) It would not improve the transparency of reporting.

Way forward and next steps

B14. Although IASB members agreed that it was time to decide on the direction of this long-standing project, no decisions were made at the April 2023 meeting as IASB members observed that the feedback received on the DP appeared inconclusive. The IASB staff was instructed to perform further research with users to determine if there is any additional information that will improve their decision-making process and to find out if BCUCC is a high priority project for regulators.

B15. The IASB staff will consult with ASAF and other IASB consultative bodies and will present the feedback received to the IASB at a future meeting.

Discussions with Advisory Groups

B16. The AFIAG met on the day that the Board papers were finalised and discussed this project. Consequently their feedback will be given verbally at the Board meeting.

Questions for the Board on the future direction of the BCUCC project
1. What **problems** do you think are caused by the gap in IFRS Accounting Standards for reporting BCUCCs? a) Since the project was added to the IASB's agenda in 2007, is practice largely settled or are there significant challenges in accounting for BCUCCs? b) Do you have specific examples where the reporting for a BCUCC resulted in financial statements that were misleading or failed to provide useful information about the BCUCC? How common are such examples? 2. Which of the following **options** do you think the IASB should choose for the future direction of the BCUCC project? a) **Option 1:** Develop recognition, measurement and disclosure requirements. b) **Option 2:** Develop disclosure requirements only. c) **Option 3:** Discontinue the project.

UK Endorsement Board

Annex 1: Criteria assessment in the context of the BCUCC project

The following table shows a summary of the assessment made by the IASB staff of the criteria for potential standard-setting projects in the context of the BCUCC project. We have supplemented this information with some relevant commentary included in the UKEB Final Comment Letter and Feedback Statement.

IASB staff assessment for standard-setting projects	UKEB Comment letter/Feedback Statement
Deficiency in reporting	
The BCUCC project arose in response to stakeholder feedback that the lack of a specifically applicable IFRS Standard for such BCUCCs had resulted in diversity in practice. However, the extent to which a standard-setting project would reduce diversity would depend on the specific requirements the IASB develops. For example, allowing entities a choice on the measurement method would not reduce diversity in practice. This project also aims to improve transparency in financial reporting.	In its comment letter, the UKEB welcomed the IASB's: • efforts to explore possible reporting requirements for a receiving company to improve comparability and consistency of reporting. • objective of providing more relevant information for users of financial statements, as companies often provide minimal information about BCUCCs. The UKEB also observed that in the UK BCUCCs are commonly accounted for using the book-value method and that there did not seem to be an appetite for change in the UK.
Importance to users	
Engagement with users has raised questions about the importance of the project to users. Users did not request the IASB to add the BCUCC project to the IASB's agenda, but some	Only a few UK stakeholders provided views on the choice of measurement method. Most agreed that "one size does not fit all".

IASB staff assessment for standard-setting projects	UKEB Comment letter/Feedback Statement
users have generally supported the project in the IASB's Agenda Consultations. IASB staff research showed that users' views appear to be split on the measurement method that should be applied to BCUCCs (e.g. most users from China supported a book-value method for all BCUCCs; users from other jurisdictions supported the acquisition method for a BCUCC that affects NCS).	Stakeholders reported a wide range of reasons for BCUCC transactions, including legal, regulatory and tax issues and were concerned that an overly rigid approach may compromise the ability to faithfully reflect the circumstances of the BCUCC. A book-value method is the prevailing practice in the UK and there was support for this methodology to be used in all circumstances. Fair values have also been used and some stakeholders agreed to the use of fair values where NCS are affected.
Types of entities likely to be affected	
Feedback considered in 2007 suggested that BCUCCs occurred frequently in many jurisdictions. However, research in 2019 suggests that BCUCCs by listed entities are more prevalent in China (i.e. 52% of the 267 BCUCC transactions the IASB identified in its research) than in other jurisdictions.	We were unable to find a source of statistics on the number of BCUCCs in the UK. Our impression was that BCUCC transactions were fairly common but in the majority of cases those transactions did not affect NCS.
How pervasive or acute the issue is likely to be	
IASB staff research suggests that BCUCCs affecting NCS are uncommon. The number of BCUCCs not affecting NCS could not be quantified but a great majority of these transactions are accounted for using a form of book-value method which means that standardising this practice would not significantly change practice.	Our impression was that the practical difficulties encountered on the application of the acquisition method and/or book-value methodologies were rare or immaterial. Accordingly, we do not think that the financial reporting issues that the BCUCC project is currently addressing are pervasive and consider them to be much less acute in the UK.

UK Endorsement Board

Appendix C: Climate-related Risks in the Financial Statements

UKEB Project Status: Monitoring **IASB Next Milestone:** Review research	

Background

C1. At the July 2023 ASAF meeting, the IASB will be presenting this as a project scoping topic. The purpose of the session will be to:

a) Provide background about the project.

b) Obtain feedback on stakeholder concerns about the reporting of climate-related risks in the financial statements.

C2. The ASAF presentation[1] includes the following topics:

a) Origin of the project.

b) Purpose and focus of the project.

c) How the project relates to the work of the ISSB.

d) Tentative project plan.

Feedback sought

C3. The IASB staff are seeking feedback on the following:

a) Nature of concerns.

b) Causes of concerns.

c) Courses of action.

d) Scope of the project.

1 Click here for ASAF Paper 7

Nature of concerns

C4. Possible nature of concerns set out in the ASAF paper are:

a) Financial statement information appears inconsistent with disclosures made elsewhere about climate-related risks and, therefore, recognition, measurement and disclosures in the financial statements cannot be reconciled to an entity's other disclosures.

b) There is insufficient information about how climate-related risks are reflected in the financial statements, in terms of:

i. Estimates, assumptions and judgements made.

ii. The separate effects of climate-related risks on amounts recognised in the financial statements.

Questions for the Board
1. Nature of concern: a) What concerns do you have about the reporting of climate-related risks in the financial statements? b) How prevalent is the issue in the UK?

Causes of concerns

C5. Possible causes of concerns set out in the ASAF paper are:

a) Unclear requirements in Accounting Standards – requirements may not be sufficiently clear and/or specific about whether and how the effects of climate-related risks should be considered when preparing an entity's financial statements.

b) Lack of compliance – not considering or adequately considering climate-related risks when applying IFRS Accounting Standards.

c) Limitations in IFRS Accounting Standards – requirements appear to prohibit or do not capture climate-related risks in measuring and recognising assets and liabilities and in requiring the disclosure of relevant information.

d) User information needs beyond the objective of the financial statements – some information needs about climate-related risks might go beyond the objective of financial statements and may be more appropriately addressed by Sustainability Disclosure Standards.

Question for the Board
2. What are the causes of the concerns you identified in Question 1?

Courses of action

C6. Possible courses of action the IASB could consider are:

a) Possible minor amendments to IASB Accounting Standards.

b) Limited new application guidance.

c) New illustrative examples.

d) Educational materials.

Questions for the Board
3. Courses of action: a) How could the IASB address these concerns? b) Do you think the benefits may outweigh the costs of those actions?

Scope of the project

C7. Initial IASB staff comments are that the IASB could consider expanding the scope of the project to cover risks in addition to those related to climate and include opportunities as well as risks.

C8. Aspects to consider include consistency with the ISSB as the ISSB considers both opportunities and risks and it is not always possible to separate the effects of climate-related risks and opportunities from other sustainability-related risks and opportunities.

Questions for the Board
4. Should the IASB consider expanding the scope of the project to cover: a) Risks in addition to those related to climate? b) Opportunities as well as risks?

Next steps

C9. The UKEB Secretariat will consider feedback received on this paper when preparing the briefing for the ASAF meeting.

UKEB
UK Endorsement Board

Appendix D: Business Combinations – Disclosures, Goodwill and Impairment

UKEB Project Status: Active Monitoring **IASB Next Milestone:** Exposure Draft	UKEB project page UKEB Report: Subsequent Measurement of Goodwill - A Hybrid Model **(September 2022)**

Background

D1. The IASB is continuing its redeliberations following feedback on its March 2020 Discussion Paper *Business Combinations—Disclosures, Goodwill and Impairment* (DP)[1]. At its May 2023 meeting, the IASB discussed the following topics:

a) Reducing cost and complexity—removing the annual quantitative impairment test.

b) Effectiveness of impairment test—feasibility of designing a different impairment test.

c) Effectiveness of impairment test—criteria and application.

d) Effectiveness of impairment test—suggestions from respondents.

D2. In relation to 1(a) and 1(b), the table below summarises the IASB's proposals contained in the DP, the recommendations made by the UKEB in its comment letter dated 29 January 2021[2] and the IASB's tentative decisions made at its May 2023 meetings.

1 The IASB's Discussion Paper can be found here.
2 The UKEB comment letter dated 29 January 2021 can be found here

ED proposal	UKEB Comment letter	IASB tentative decision
Reducing costs and complexity – removing the annual quantitative impairment test		
The IASB's preliminary view was that it should provide relief from the annual impairment test. In reaching this view, the Board considered: a) the cost savings from providing that relief; b) whether that relief would make the impairment test less robust; c) whether the same relief should apply for intangible assets with indefinite useful lives and intangible assets not yet available for use; and d) other factors.	If a mixed model is adopted, the UKEB supports the proposal to replace the requirement for an annual quantitative impairment test with a quantitative test only when there is an indicator of impairment because: a) under a mixed model, headroom[3] would increase and the need for a full quantitative impairment test would be reduced. b) the accounting treatment would be consistent with tangible assets whose recoverable amount cannot be determined separately, and there is no clear conceptual basis for treating goodwill differently. Absent a mixed model, the UKEB would not support the proposal to remove the annual quantitative impairment test, because it would increase the risk of overstatement of goodwill balances. Without a mixed model, a quantitative test would be required to maintain some robustness and that robustness should take precedence over cost-savings.	The IASB tentatively decided: a) to retain the requirements to perform a quantitative impairment test annually; and b) not pursue any of the alternatives to it that were suggested by respondents to the IASB's Discussion Paper *Business Combinations—Disclosures, Goodwill and Impairment.*

3 Headroom is defined as the excess of the recoverable amount of a cash generating unit (CGU) over the carrying amount.

ED proposal	UKEB Comment letter	IASB tentative decision
Effectiveness of impairment test —feasibility of designing a different impairment test		
The IASB's preliminary view was that it is not feasible to design a different impairment test that is significantly more effective than the impairment test in IAS 36 *Impairment of Assets* at recognising impairment losses on goodwill on a timely basis at a reasonable cost.	The UKEB agreed that it is not feasible to make the impairment test for cash-generating units containing goodwill significantly more effective at recognising impairment losses on goodwill on a timely basis than the existing test in IAS 36.	The IASB tentatively decided that it is not feasible to design a different impairment test that would, at a reasonable cost, be significantly more effective than the impairment test currently required by IAS 36.

D3. The IASB's tentative decisions are consistent with the recommendations in the UKEB comment letter.

D4. The IASB was not asked to make decisions on the agenda papers relating to the topics in paragraphs 1(c) and 1(d) above as these will be discussed at future meetings.

Next steps

D5. The IASB will continue its redeliberations at future meetings on:

a) the remaining aspects of the package of disclosure requirements; and

b) whether to pursue respondents' suggestions to improve the effectiveness of the impairment test of CGU's containing goodwill in IAS 36.

D6. The IASB is nearing the end of its redeliberations. Once the IASB has made tentative decisions on all aspects of the project, it will consider whether the package of decisions meets the project objective and whether it will publish an exposure draft setting out its proposals.

D7. The UKEB Secretariat will continue to monitor the IASB discussions and provide updates to the Board.

UKEB
UK Endorsement Board

Appendix E: Rate-regulated Activities

UKEB Project Status: Monitoring **IASB Next Milestone:** Continued redeliberations on remaining topics throughout 2023 and early 2024.	UKEB Project page UKEB Final comment letter (Published July 2021)

Background

E1. The IASB is continuing its redeliberations following feedback on its Exposure Draft *Regulatory Assets and Regulatory Liabilities*[1] (RRA ED). At its May 2023 meeting, the IASB redeliberated the timing of initial recognition for regulatory assets and regulatory liabilities.

E2. The table below summarises the IASB's proposals contained in the ED, the recommendations made by the UKEB in its comment letter and the IASB's tentative decisions made at its May 2023 meeting.

1 The IASB's Exposure Draft was published in January 2021 and can be found here

UK Endorsement Board

ED proposal	UKEB comment letter[2]	IASB tentative decision
Timing of initial recognition		
Recognition of regulatory assets and regulatory liabilities An entity shall recognise all regulatory assets and all regulatory liabilities existing at the end of the reporting period.	We agree that an entity should recognise all its regulatory assets and regulatory liabilities and that a 'more likely than not' recognition threshold should apply when it is uncertain whether a regulatory asset or a regulatory liability exists, as set out in paragraphs BC122 – BC129 of the Basis for Conclusions.	The IASB tentatively decided that the prospective standard would retain the proposal to require recognition of all regulatory assets and all regulatory liabilities existing at the end of the reporting period. **UKEB Secretariat view:** The tentative decision is in line with the UKEB view as reflected in the comment letter.
Foreign currency amounts — IAS 21 *The Effects of Changes on Foreign Exchange Rates* If regulated rates are denominated in a foreign currency, an entity shall treat any related regulatory assets and regulatory liabilities as monetary items when applying IAS 21.	The UKEB comment letter did not share views or recommendations on foreign currency amounts.	The IASB tentatively decided that the prospective standard would retain the proposal to treat any regulatory assets or regulatory liabilities arising from regulated rates denominated in a foreign currency as monetary items when applying IAS 21. **UKEB Secretariat view:** The UKEB did not comment on this topic in the UKEB comment letter.

2 The UKEB comment letter can be found here.

Clarifying that initial recognition of a regulatory asset or regulatory liability occurs at the end of the reporting period

E3. Feedback received from some respondents to the ED recommended that the IASB provides clarity on when a regulatory asset or regulatory liability is initially recognised as the proposals in the ED are unclear on whether recognition can occur before the end of the reporting period.

E4. At a minimum, entities applying the model will be required to assess the existence of regulatory assets and regulatory liabilities at the end of the reporting period. The question raised by respondents is whether they will also need to assess existence for initial recognition throughout the reporting period[3].

E5. Although the Board supported the staff recommendation to retain the proposal to require recognition of all regulatory assets and regulatory liabilities existing at the end of a reporting period, it did not support the staff recommendation to clarify that initial recognition of a regulatory asset or liability occurs at the end of a reporting period. The following comments were shared by IASB members:

a) Most members were not in support of Option B which recommended that the final standard require that the initial recognition criteria be applied at the end of each reporting period but permit earlier recognition, as this would not be of benefit to users who are often only concerned about year-end information.

b) Clarifying the timing of initial recognition may conflict with the systems that entities already have in place for recording regulatory transactions.

c) The Board currently does not provide further clarifications on the timing of the recognition of items in other standards so providing clarity would result in inconsistencies with other IFRS Accounting Standards. In the absence of strong evidence, there is therefore no reason for the Board to support the staff recommendation.

Project timelines

E6. The IASB staff expect the analysis and redeliberations of the remaining topics to be finalised during the second half of 2024, with the drafting and publication of the final standard being in 2025. Comments by IASB members were as follows:

a) It would be preferred if the project moved more swiftly after the feedback on the Exposure Draft, but the Board also recognises the importance of getting things right for the final standard.

---

[3] IASB May 2023 Agenda Paper 9A paragraph 10

b) If the standard is finalised in 2025, initial application of the standard may not be until 2027 or beyond. Stakeholders may not be pleased with this outcome since some are already anticipating the new standard and are eager to apply it.

c) It is important to be cognisant of the adoption processes that may exist in some jurisdictions and whether these timelines would work for those jurisdictions and their processes.

Interaction with other projects

E7. The IASB staff plan to conduct an analysis on the interaction of the regulatory assets and regulatory liabilities model with IFRS 17 *Insurance Contracts* and the *Subsidiaries without Public Accountability* project.

IFRS 17 Insurance Contracts

E8. IASB members noted that there has been no feedback from insurers that there may be interactions with IFRS 17. The needs of insurance companies should be well addressed by IFRS 17 so the staff should be wary of spending too much time in analysing this interaction.

Subsidiaries without Public Accountability

E9. The IASB plans a separate project through which the disclosure requirements of the regulatory assets and regulatory liabilities standard will be assessed against the agreed principles for reducing the disclosure requirements of the *Subsidiaries without Public Accountability* forthcoming standard.

Next steps

E10. The IASB will continue its redeliberations on the feedback received on the ED, at future meetings. Future redeliberations will focus on the following topics:

a) Discount rate.

b) Items affecting regulated rates only when related cash is paid or received.

c) Presentation and disclosure.

d) Interaction with other IFRS Accounting Standards, including amendments to other IFRS Accounting Standards.

e) Effective date and transition.

UK Endorsement Board

Appendix F: Financial Instruments with Characteristics of Equity

UKEB Project Status: Monitoring **IASB Next Milestone:** Exposure Draft	

Background

F1. On an ongoing basis, each new or amended IFRS Accounting Standard will include amendments to the forthcoming IFRS Accounting Standard *Subsidiaries without Public Accountability* (the subsidiaries standard) as a type of consequential amendment. This will ensure that standard remains up to date and eligible subsidiaries have appropriate disclosure requirements available to them by the time they are required to apply the new or amended IFRS Accounting Standard.

Update

F2. In May, the IASB tentatively decided to propose consequential amendments to the subsidiaries standard after it has been issued. The amendments would add some of the disclosure requirements that are to be proposed in the *Financial Instruments with Characteristics of Equity* (FICE) Exposure Draft (ED).

F3. The FICE ED will be the first exposure draft to include proposed consequential amendments to the subsidiaries standard.

F4. During the meeting the IASB also discussed its due process steps, including permission to begin the balloting process for the FICE ED. The IASB decided to set a comment period of 120 days.

Next steps

F5. The IASB staff will prepare the FICE ED for balloting. Publication of the ED is expected in the second half of November 2023. The UKEB Secretariat will present further detailed information on the FICE project at future meetings.

UK Endorsement Board

Appendix G: Annual Improvements

UKEB Project Status: Active Monitoring **IASB Next Milestone:** Exposure Draft (Q3 2023)	

Background

Lessee derecognition of lease liabilities (IFRS 9 *Financial Instruments*)

G1. The IASB was informed about a potential lack of clarity about a lessee's accounting for derecognition of a lease liability. The lack of clarity arises because paragraph 2.1(b)(ii) of IFRS 9 includes a cross-reference to paragraph 3.3.1, but not paragraph 3.3.3, of IFRS 9, which can affect the corresponding adjustment a lessee makes when its lease liability has been extinguished and it removes that liability from its statement of financial position.

G2. The IASB staff was informed that there is more than one way to read the current requirements of lessee accounting for a rent concession. The lessee could either: (i) recognise the gain or loss in profit or loss applying paragraph 3.3.3 of IFRS 9 or (ii) make a corresponding adjustment to the right-of-use asset recognised applying IFRS 16.

G3. During the meeting, it was noted that the IASB intended a lessee to apply, in sequence, paragraphs 3.3.1 and 3.3.3 of IFRS 9, and the lack of a cross-reference to paragraph 3.3.3 in paragraph 2.1(b)(ii) of IFRS 9 was an oversight. Paragraph 3.3.1 of IFRS 9 provides requirements for derecognition of a financial liability when it is extinguished, and paragraph 3.3.3 of IFRS 9 provides requirements for accounting for a gain or loss on extinguishment of a financial liability.

G4. The IASB staff proposed an amendment to paragraph 2.1(b)(ii) of IFRS 9 to add a cross-reference to paragraph 3.3.3 of IFRS 9.

G5. The following text, extracted from IASB Agenda Paper 12A for its May 2023 meeting, reflects the outcome of the amendment to paragraph 2.1(b)(ii) of IFRS 9.

> Paragraph 2.1:
>
> This Standard shall be applied by all entities to all types of financial instruments except:
>
> …

> (b) rights and obligations under leases to which IFRS 16 Leases applies.
>
> However:
>
> …
>
> (ii) lease liabilities recognised by a lessee are subject to the derecognition requirements in paragraphs 3.3.1 <u>and 3.3.3</u> of this Standard; and
>
> …

G6. The IASB staff recommended that the IASB require prospective application of the amendment, given the consideration of cost-benefit grounds for lessees which have previously accounted for an extinguishment of a lease liability by making a corresponding adjustment to its right-of-use assets rather than recognising the gain or loss in profit or loss.

G7. In addition, the IASB was informed that the IFRS Interpretations Committee considered a potential annual improvement related to the definition of a lease modification in IFRS 16. The IASB staff recommended not further pursuing that amendment as an annual improvement and suggested it could be considered as part of a future project related to IFRS 9 or the post-implementation review of IFRS 16.

G8. The IASB agreed with the staff recommendations.

Disclosure of deferred difference between fair value and transaction price (IFRS 7 *Financial Instruments: Disclosures* Implementation Guidance)

G9. The IASB was informed about an inconsistency between paragraph 28 of IFRS 7 and paragraph IG 14 of its accompanying implementation guidance. The current inconsistency arose when, upon the issuance of IFRS 13 Fair Value Measurement in May 2011, the IASB made a consequential amendment to paragraph 28 of IFRS 7 but made no corresponding amendments to paragraph IG14 of IFRS 7.

G10. The IASB staff proposed amendments to the illustrative example in paragraph IG14 of IFRS 7 to improve its consistency with paragraph 28 of IFRS 7.

G11. The following text, extracted from IASB Agenda Paper 12B for its May 2023 meeting, reflects the outcome of the proposed amendments on paragraph IG14 of IFRS 7.

Paragraph IG14:

~~At initial recognition an entity measures the fair value of financial instruments that are not traded in active markets. However, when, after initial recognition, an entity will use a valuation technique that incorporates data not obtained from observable markets, there may be a difference between the transaction price at initial recognition and the amount determined at initial recognition using that valuation technique.~~ In some cases, the transaction price of a financial instrument differs from its fair value at initial recognition, and that fair value is neither evidenced by a quoted price in an active market for an identical asset or liability (ie a Level 1 input) nor is based on a valuation technique that uses only data from observable markets. In these circumstances, the difference will be recognised in profit or loss in subsequent periods in accordance with IFRS 9 *Financial Instruments* and the entity's accounting policy. Such recognition reflects changes in factors (including time) that market participants would take into account when pricing the asset or liability (see paragraph B5.1.2A(b) of IFRS 9). Paragraph 28 requires disclosures in these circumstances. An entity might disclose the following to comply with some of the requirements in paragraph 28:

Background

On 1 January 20X1 an entity purchases for CU15 million financial assets that are not traded in an active market. The entity has only one class of such financial assets.

The transaction price is ~~of~~ CU15 million ~~is the fair value at initial recognition~~. The entity determines that the transaction price does not represent the fair value of the financial assets at ~~After~~ initial recognition.~~,~~ The ~~the~~ entity applies ~~will apply~~ a valuation technique to measure the financial assets' fair value. This valuation technique uses inputs other than data from observable markets.

At initial recognition, the fair value of the financial assets measured using that ~~same~~ valuation technique is ~~would have resulted in an amount of~~ CU14 million, which differs from the transaction price ~~fair value~~ by CU1 million.

The entity has existing differences yet to be recognised in profit or loss of CU5 million at 1 January 20X1.

Application of requirements

The entity's 20X2 disclosure would include the following:

Accounting policies

The entity uses the following valuation technique to measure the fair value of financial instruments that are not traded in an active market: [description of technique, not included in this example]. Differences may arise between the ~~fair value at initial recognition (which, in accordance with IFRS 13 and IFRS 9, is generally the~~ transaction price~~)~~ and the fair value measured ~~amount~~

UK Endorsement Board

~~determined~~ at initial recognition using the valuation technique. Any such differences are [description of the entity's accounting policy].

In the notes to the financial statements

As discussed in note X, the entity uses [name of valuation technique] to measure the fair value of the following financial instruments that are not traded in an active market. However, in accordance with IFRS 13 and IFRS 9, the fair value of an instrument at <u>initial recognition</u> ~~inception~~ is normally the transaction price. If the transaction price differs from the <u>fair value measured</u> ~~amount determined~~ at <u>initial recognition</u> ~~inception~~ using the valuation technique, that difference is [description of the entity's accounting policy].

The differences yet to be recognised in profit or loss are as follows:

	31 Dec X2	**31 Dec X1**
	CU million	CU million
Balance at beginning of year	5.3	5.0
New transactions	–	1.0
Amounts recognised in profit or loss during the year	(0.7)	(0.8)
Other increases	–	0.2
Other decreases	(0.1)	(0.1)
Balance at end of year	4.5	5.3

G12. The proposed amendments are to the implementation guidance that accompanies, but it is not part of, IFRS 7. Therefore, there is no need for the IASB to consider transition.

G13. The implementation guidance is not included in UK-adopted international accounting standards.[1]

[1] Mandatory pronouncements are IFRS Standards, IAS Standards, Interpretations and mandatory application guidance. Non-mandatory guidance includes basis for conclusions, dissenting opinions, implementation guidance and illustrative examples, together with the IFRS practice statements. This categorisation is set out in the Introduction to the IASB yearly Bound Volumes.

UK Endorsement Board

Next steps

G14. The amendments in paragraphs G1-G12 of this paper, along with six other proposed amendments as discussed in February 2023[2], will be included in the next *Annual Improvements to IFRS Accounting Standards* cycle.

G15. At its May 2023 meeting, the IASB agreed with the staff recommendation to allow a comment period of 90 days for the exposure draft, which is expected to be published in the third quarter of 2023. The IASB also tentatively decided to permit early application of the proposed amendments.

[2] The proposed amendments are covered in UKEB agenda paper 5 – *IASB General Update*, March 2023, Annual Improvements on pages 48 to 53.

UK Endorsement Board

Appendix H: IFRIC Agenda Decisions Update

UKEB Project Status: Monitoring **IASB Next Milestone:**	

Background

H1. The Interpretations Committee held a meeting on 6–7 June 2023.

H2. We will provide an update to the Board at its next meeting on the decisions made at that meeting.

H3. Given the Board's previous interest in the topic "Application of the 'own use exemption' in the light of current market and geopolitical questions" the Secretariat thought it appropriate to provide a specific update at this point in time.

Application of the 'own use exemption' in the light of current market and geopolitical questions

H4. In April 2023 the Secretariat presented this topic to the Board (April 2023, Agenda Paper 8 Appendix H). The matter related to three distinct issues, each involving quite complex contracts for energy (gas or electricity). In each case the question was about the requirements of IFRS 9 *Financial Instruments* paragraphs 2.4–2.6 which address whether an entity can apply the own-use exemption, or whether the contract must be accounted for as a derivative financial instrument.

H5. At the Interpretations Committee's June 2023 meeting IASB staff had recommended that

> "the Committee refers the matter to the IASB by recommending that the IASB develop a narrow-scope amendment that addresses the application of paragraph 2.4 of IFRS 9 particularly to contracts for the purchase of a non-financial item that cannot be stored and has to be consumed within in a short time interval in accordance with the market structure in which the item is traded." (Agenda Paper 2, paragraph 85)

H6. The discussion lasted nearly two and a half hours covering a wide range of matters on both the application and requirements of relevant parts of IFRS 9.

H7. Nine of fourteen members of the committee concluded that the standard did NOT provide adequate guidance and therefore standard setting was necessary (though this view was debated by the remaining members).

H8. The same nine committee members agreed with the IASB staff that the matter should be referred to the IASB to undertake standard setting. We note that it has subsequently been added to the Maintenance project pipeline on the IASB's website.

H9. Chair of the Interpretations Committee, Bruce Mackenzie emphasised that referring the matter to the IASB does NOT mean that the IASB will take this matter on, particularly as it risked being a large project. He also noted it was likely to be contentious.

H10. The Secretariat will continue to monitor the progress on the topic and update the Board as appropriate.

UK Endorsement Board

Appendix I. List of IASB projects

This Appendix provides a list of all IASB projects[1], including links to the IASB project page and, where relevant, to the UKEB project page and any UKEB reports or comment letters. Items highlighted in grey are changed from the last report.

List of IASB projects	
Amendments to the Classification and Measurement of Financial Instruments	
UKEB Project Status: Influencing **IASB Next Milestone:** Exposure Draft Feedback Q3 2023 Submit letter by: 19/07/23	UKEB project page
Business Combinations under Common Control	
UKEB Project Status: Monitoring **IASB Next Milestone:** Decide Project Direction Q3 2023	UKEB project page UKEB Final Comment Letter (Published August 2021)

[1] This list does not include projects related to the IFRS Interpretations Committee or IASB's projects outside the UKEB's work remit (such as the Second Comprehensive Review of the *IFRS for SMEs* Accounting Standard).

UK Endorsement Board

List of IASB projects	
Business Combinations—Disclosures, Goodwill and Impairment	
UKEB Project Status: Monitoring **IASB Next Milestone:** Exposure Draft H1 2024	UKEB project page UKEB Report: Subsequent Measurement of Goodwill - A Hybrid Model (Published September 2022)
Climate-related Risks in the Financial Statements	
UKEB Project Status: Monitoring **IASB Next Milestone:** Review research Q3 2023	
Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures	
UKEB Project Status: Monitoring **IASB Next Milestone:** IFRS Accounting Standard (2024)	UKEB project page UKEB Final Comment Letter (Published February 2022)
Dynamic Risk Management	
UKEB Project Status: Monitoring **IASB Next Milestone:** Exposure Draft (2025)	

List of IASB projects	
Equity Method	
UKEB Project Status: Monitoring **IASB Next Milestone:** Exposure Draft (2024)	
Extractive Activities	
UKEB Project Status: Monitoring **IASB Next Milestone:** Decide Project Direction Q3 2023	
Financial Instruments with Characteristics of Equity	
UKEB Project Status: Monitoring **IASB Next Milestone:** Exposure Draft Q4 2023	
Lack of Exchangeability (Amendments to IAS 21)	
UKEB Project Status: Monitoring **IASB Next Milestone:** IFRS Accounting Standard Amendment August 2023	UKEB project page UKEB Final Comment Letter (Published September 2021)

List of IASB projects	
Post-implementation Review of IFRS 15 Revenue from Contracts with Customers	
UKEB Project Status: Influencing **IASB Next Milestone:** Request for Information June 2023	UKEB project page
Post-implementation Review of IFRS 9—Impairment	
UKEB Project Status: Influencing **IASB Next Milestone:** Request for Information Q4 2023 Submit letter by: 27/09/23	
Primary Financial Statements	
UKEB Project Status: Monitoring **IASB Next Milestone:** IFRS Accounting Standard (2024)	UKEB project page UKEB Final Comment Letter (Published September 2020)
Provisions—Targeted Improvements	
UKEB Project Status: Monitoring **IASB Next Milestone:** Decide Project Direction H2 2023	

UK Endorsement Board

List of IASB projects	
Rate-regulated Activities	
UKEB Project Status: Monitoring **IASB Next Milestone:** IFRS Accounting Standard (2025)	UKEB project page UKEB Final Comment Letter (Published August 2021)
Annual Improvements (Amendments to IFRS Accounting Standards: IAS 7, IFRS 7, IFRS 10, IFRS 1, IFRS 9)	
UKEB Project Status: Monitoring **IASB Next Milestone:** Exposure Draft Q3 2023	