

UKEB-IASB Joint Outreach Event

IASB Third Agenda Consultation

15 July 2021

www.endorsement-board.uk/third-agenda-consultation

Email: contact@endorsement-board.uk

The views expressed in this presentation are those of the presenter and not necessarily those of the UK Endorsement Board, nor are they necessarily reflective of any official policy or position.

Today's panellists



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Nick Anderson

Board member

IASB



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Associate Partner

KPMG
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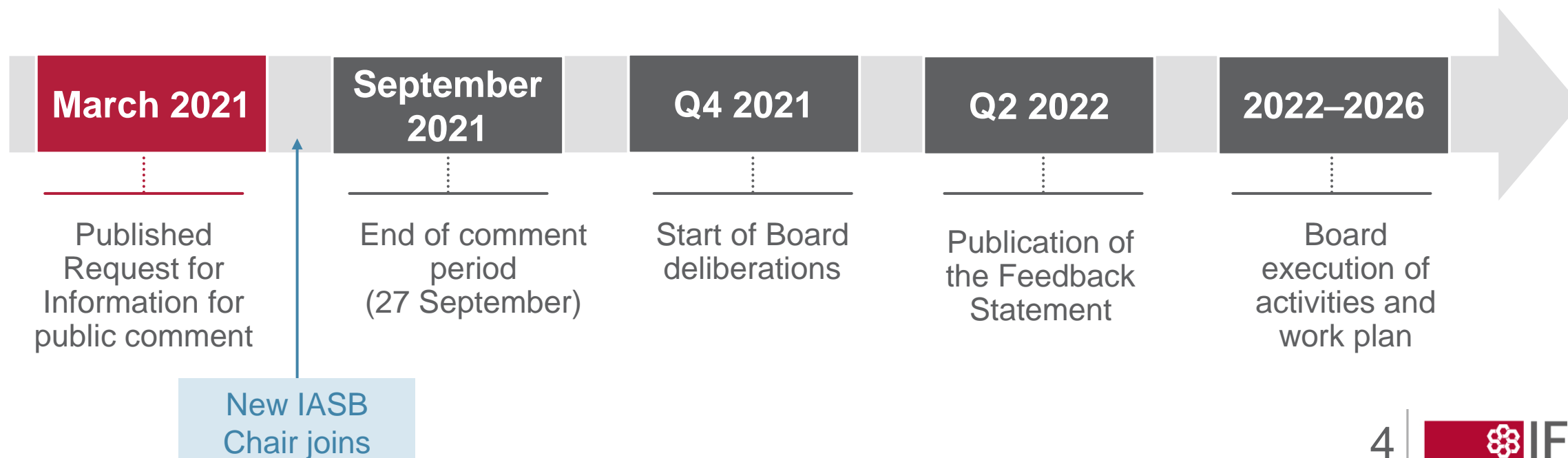
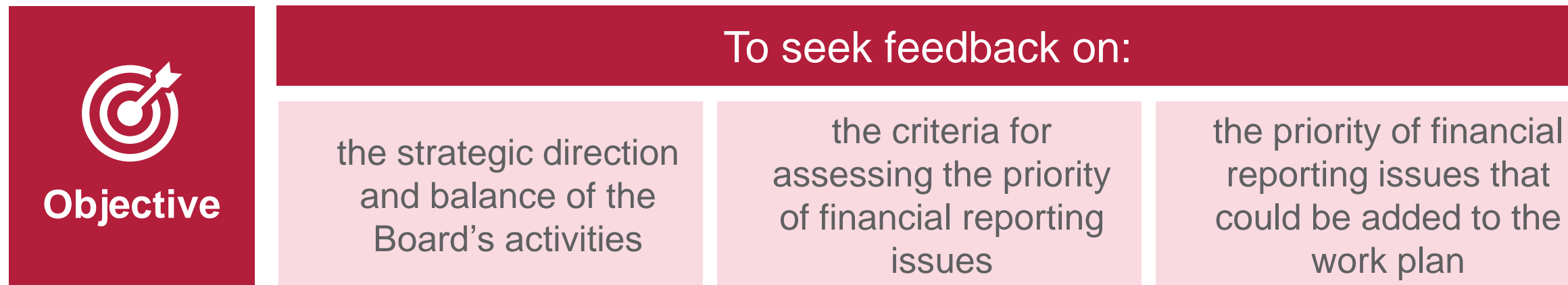
Smith & Nephew

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Third Agenda Consultation

Objective and overview

Objective and timeline of the consultation



How this consultation compares with the Trustees' strategy review

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

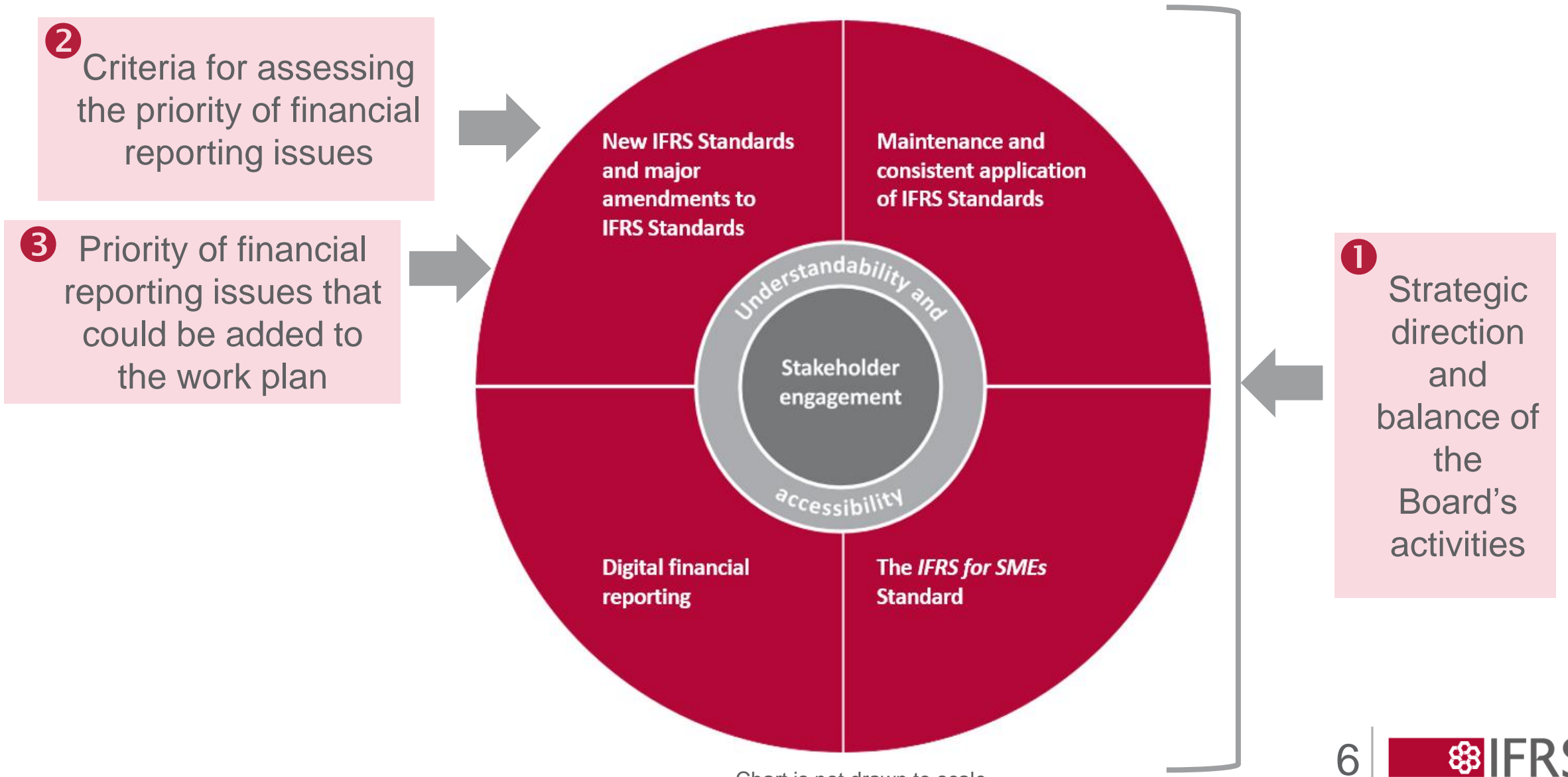
Strategy Review

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 Request for Information

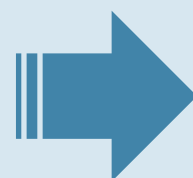


Helping stakeholders respond on the balance of activities

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%

Resources

The overall level of resources available **to the Board** will remain substantially unchanged



Increasing the resource allocation to one activity will mean fewer resources are available for other activities

New IFRS Standards & major amendments to IFRS Standards— future capacity

2022-2026 work plan priorities

Continue projects already on the work plan

- Stakeholders have previously identified them as priorities
- Re-prioritising could lead to inefficient starts and stops

Conduct required post-implementation reviews

- IFRS 10, 11 and 12
- IFRS 9
- IFRS 15
- IFRS 16

Undertake any time-sensitive projects

- Urgent projects that may arise after this consultation
- For example, the IBOR Reform projects that arose after the 2015 Agenda Consultation

Add new projects to the work plan

- 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

Described projects



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.

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UK Endorsement Board Draft Comment Letter: Recommendations

Open for comment until 31 August 2021

1. Retain flexibility to address the **interaction between IFRS and any future international sustainability standards** from the ISSB

2. Allocate **more resource to digital financial reporting**

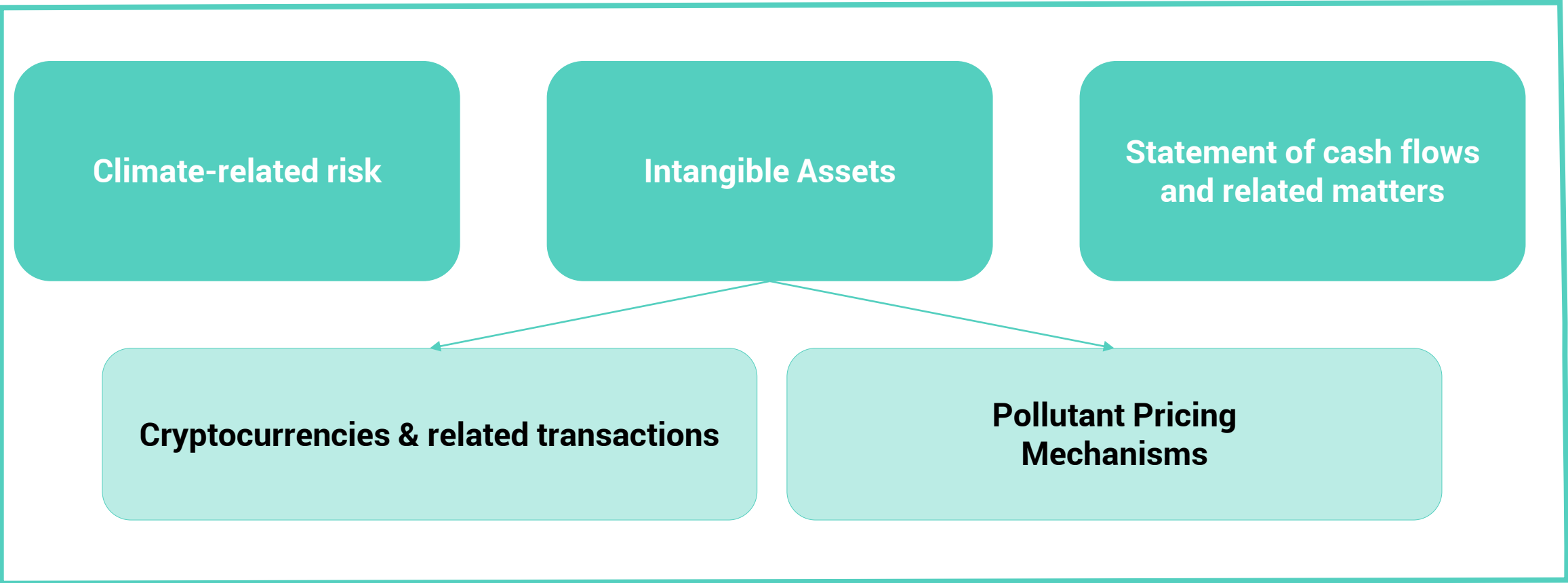
3. Anticipate and address **emerging issues** through a **structured and cohesive research programme**

4. Add three large-scope high-priority projects:
Climate-related risk
Intangibles
Statement of cash flows

5. Take a **cross-standard approach**

6. Consider whether any **projects on the current work plan could be paused**

High-priority projects



Cross-standard approach

	IAS 1	IFRS 8	IAS 2	IAS 16	IAS 36	IAS 38	New Standard	IAS 37	IFRS 9	IFRS 10
Climate-related risk	●	●	●	●	●	●	●	●	●	●
Intangibles			●		●	●	●			

IASB's current workplan

Targeted Standards-level Review of Disclosures	PIR of IFRS 9— Classification & Measurement	Goodwill and Impairment	Business Combinations under Common Control	Primary Financial Statements
Lack of exchangeability	Dynamic Risk Management	Post-implementation review of IFRS 10, 11 and 12	Extractive Activities	Rate-regulated Activities
Deferred Tax: Assets & Liabilities from one transaction	Second Comprehensive Review of the IFRS for SMEs	Provisions— Targeted Improvements	Disclosure Initiative— Subsidiaries that are SMEs	Equity Method
Financial Instruments with Characteristics of Equity	Management Commentary	Lease Liability in a Sale and Leaseback	Pension Benefits that Depend on Asset Returns	Availability of a Refund (IFRIC 14)

Respond to the UK Endorsement Board's Draft Comment Letter



<https://www.endorsement-board.uk/third-agenda-consultation>



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[Respond to draft comment letter](#)

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