
IFRS Advisory Council

Date	April 2025
Project	IASB's Fourth Agenda Consultation
Topic	Proposed approach
Contacts	Nili Shah (nshah@ifrs.org) Rachel Knubley (rknubley@ifrs.org) Jenifer Minke-Girard (jminke-girard@ifrs.org) Karen Robson (karen.robson@ifrs.org) Megumi Makino (megumi.makino@ifrs.org)

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Objective of today's meeting

Seek your feedback on the proposed approach to the IASB's Fourth Agenda Consultation

Question 1: Do you have any comments on the proposed approach (slides 7-17, 20 and Appendix)?

Question 2: What priority potential joint IASB-ISSB projects should the IASB describe in the Request for Information (see possible examples on slide 19)? For each such project:

- a) What is the financial reporting problem?
- b) Why is the matter important (eg, pervasiveness, effect)?
- c) What are potential solutions?

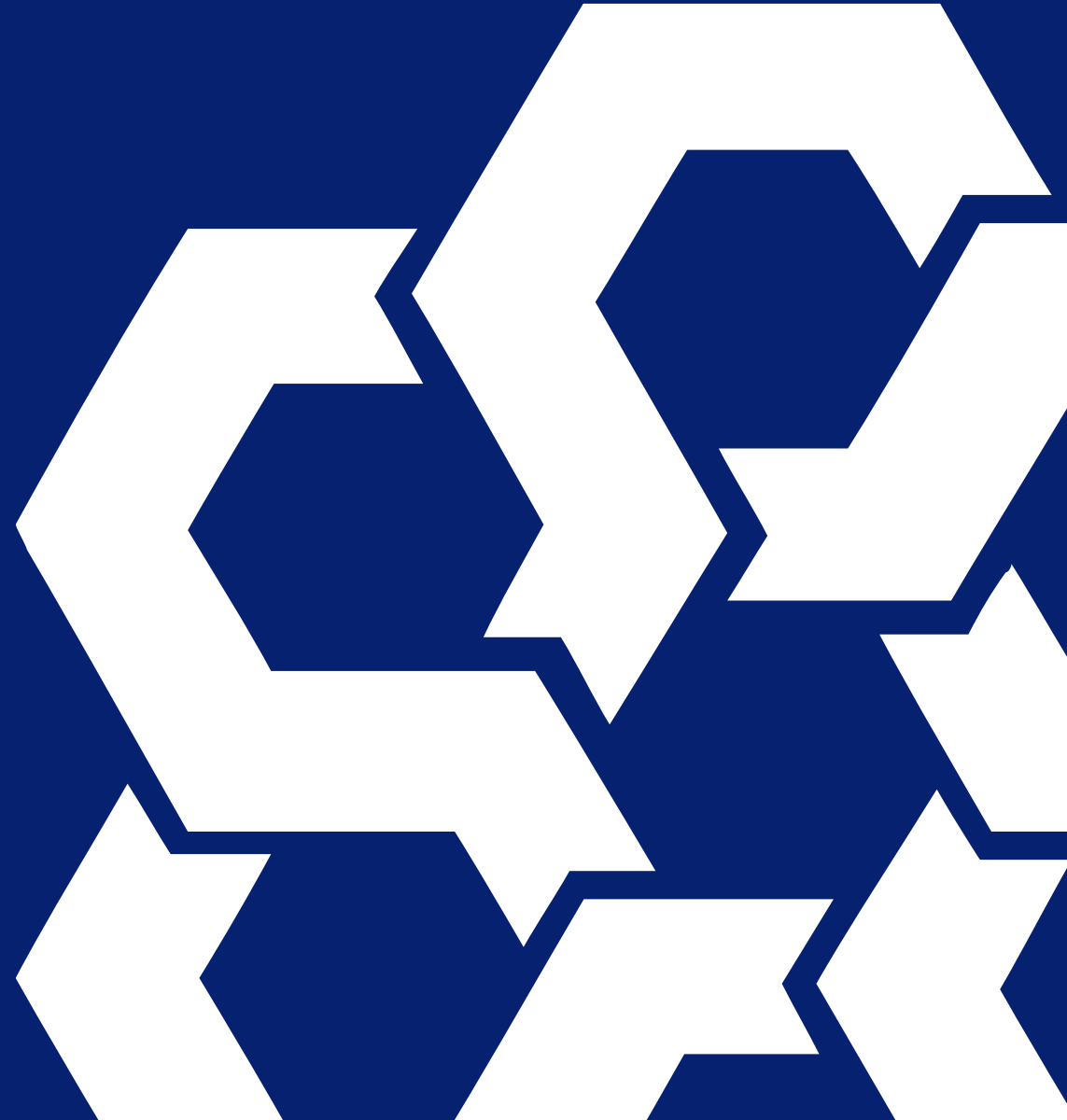
Question 3: Do you have any comments regarding the list of potential new IASB projects to be described in the Request for Information (slide 18)?

Contents

- Background to the IASB's Fourth Agenda Consultation (slides 4-6)
- Staff's proposed approach to the IASB's Fourth Agenda Consultation (slides 8-11)
 - Strategic direction and balance (slides 12-13)
 - Criteria for assessing priority of projects to be added (slide 14 and Appendix)
 - Priority of financial statement matters (slides 15-20)



Background to the IASB's Fourth Agenda Consultation

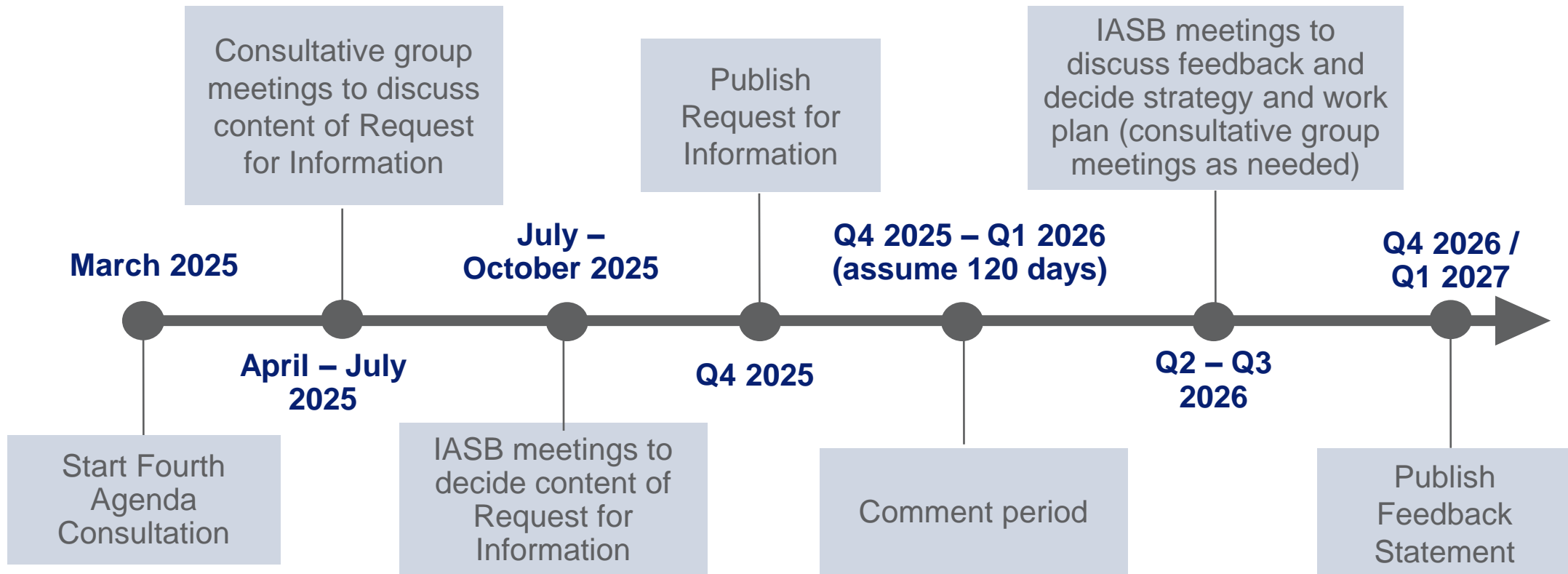


Background to agenda consultations

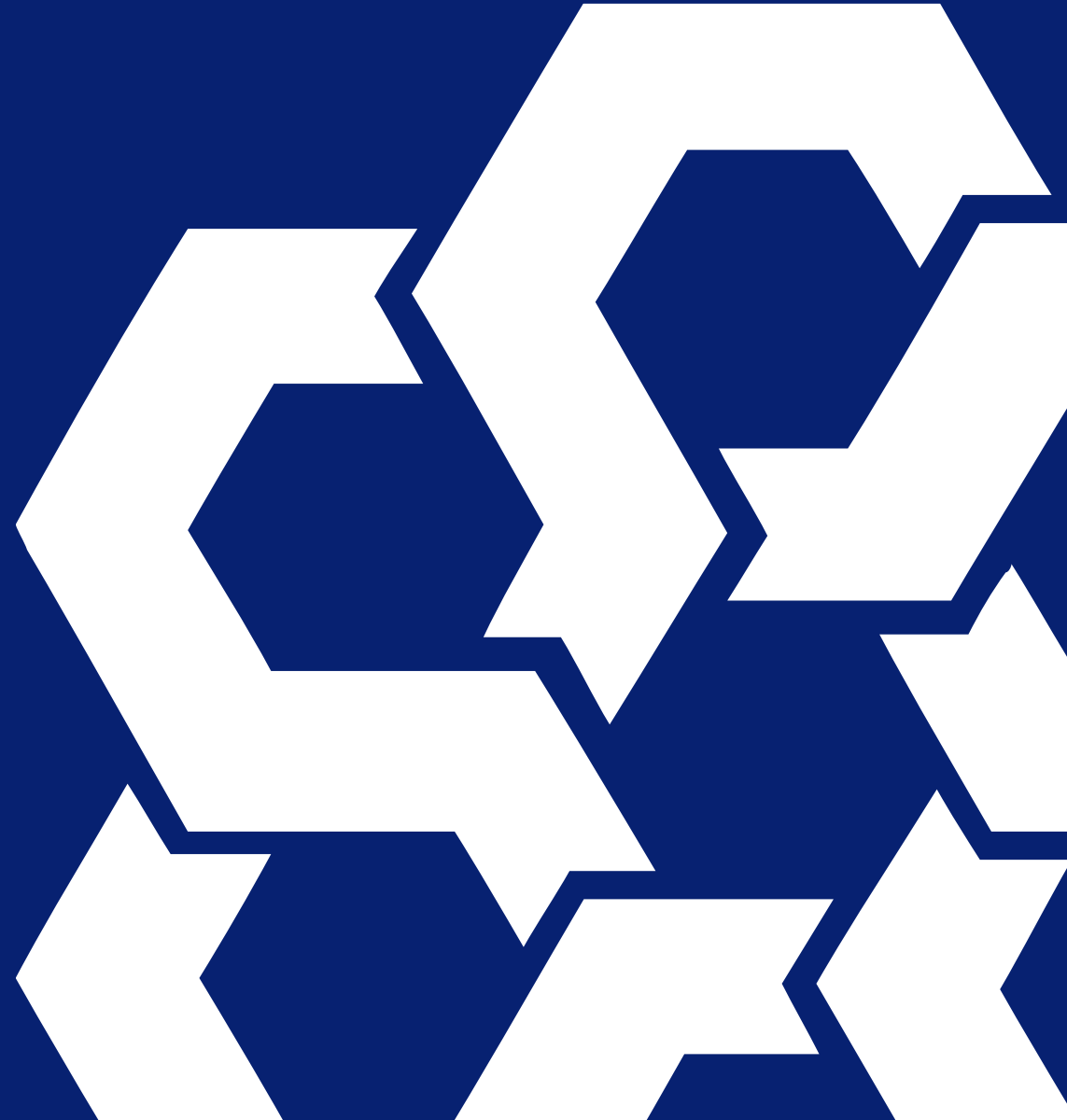
- The IASB determines its technical strategy and work plan through consultation with stakeholders (Request for Information). This process is called an agenda consultation.
 - Individual projects may still be added to the IASB's work plan in between agenda consultations if time-sensitive matters arise.
- The IASB concluded its Third Agenda Consultation in July 2022, covering the period 2022 – 2026.
- The staff is now starting the process for the IASB's Fourth Agenda Consultation, covering the period beginning in 2027.
- The requirements for conducting an agenda consultation are set out in the IFRS Foundation *Constitution* ([Constitution](#)) and the IFRS Foundation *Due Process Handbook* ([Due Process Handbook](#))*.

* The Due Process Oversight Committee of the IFRS Foundation Trustees proposed revisions to the *Due Process Handbook* in December 2024. The staff will monitor finalisation of these proposals and consider their implications on the IASB's Fourth Agenda Consultation.

Staff's proposed project plan



Staff's proposed approach to the IASB's Fourth Agenda Consultation



Overall approach

- Overall, the staff thinks the Third Agenda Consultation approach was effective and serves as a good model for conducting the Fourth Agenda Consultation.
- However, the landscape has evolved, most significantly with the creation of the International Sustainability Standards Board (ISSB), which was not established when the IASB published the Third Agenda Consultation Request for Information.
- The Fourth Agenda Consultation will, therefore, incorporate consideration of the ISSB from the beginning of the process.

Consideration of the ISSB (1/2)

Time period

- The Fourth Agenda Consultation will cover the IASB's technical strategy and work plan for the period 2027–2031, consistent with the five-yearly cadence set out by the *Due Process Handbook*.
- However, the IASB would consult again before the end of the five-year period (as permitted by the *Due Process Handbook*) if the ISSB starts an agenda consultation during this period*.
 - In doing so, the two boards would align the time periods for each board's agenda consultation. The aligned time periods would enable:
 - stakeholders to easily consider each board's work plan at the same time
 - both boards to receive feedback about the **nature** of connected work that should be undertaken
 - both boards to receive feedback about the **priority** of connected work in relation to each board's independent work plan at the same time, thereby supporting prioritisation decisions related to connected work
 - If the IASB were to start its Fifth Agenda Consultation earlier than normal, any pipeline projects** at that time could be included in that agenda consultation to re-establish priorities.

* The ISSB completed its Consultation on Agenda Priorities in June 2024 and, therefore, will not start another one now.

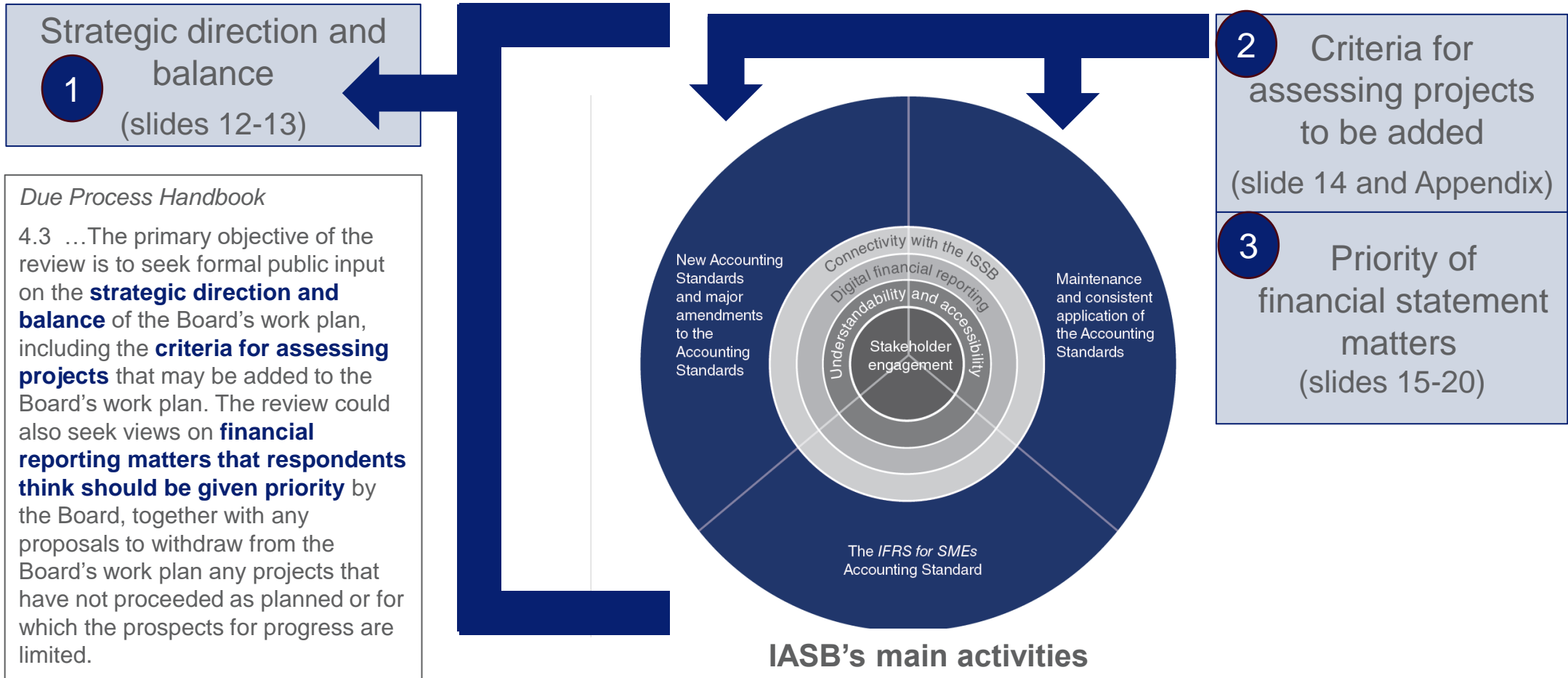
** Pipeline projects are projects that are not yet active but that the IASB has committed to starting before the next agenda consultation.

Consideration of the ISSB (2/2)

Content in the Request for Information

- The staff proposes to describe connectivity between the IASB and ISSB, distinguishing between:
 - core connectivity work (slide 12)
 - potential joint projects (developed by both boards) (slide 19).
- This approach is similar to that taken in the ISSB's Consultation on Agenda Priorities and would support alignment of each board's agenda consultations in the future.
- We will get input from the ISSB in drafting the Request for Information, aiming to obtain feedback that can inform both boards.

Content



IASB's main activities

Chart not to scale

1 Content – strategic direction and balance (1/2)

- The Request for Information will seek feedback on the **strategic direction and balance** of the IASB’s work plan.
- Feedback will help determine the balance of the activities shaded in **dark blue** in the chart. These activities require a trade-off with each other.
 - The staff proposes to provide estimates of the current level of focus on the activities shaded in **dark blue** to help stakeholders respond.
- The activities in the **grey circles** in the chart are cross-cutting, supporting all of the activities shaded in **dark blue**.
- Determining the balance of activities can never be a science; rather, feedback will provide directional information about whether to make substantial changes to the proportion of one activity relative to another.



IASB’s main activities
Chart not to scale

1 Content – strategic direction and balance (2/2)

Descriptions of activities

- **New Accounting Standards and major amendments** consist of the development of new IFRS Accounting Standards and major amendments to the IFRS Accounting Standards and conducting post-implementation reviews.
- **Maintenance and consistent application** consists of narrow-scope projects for the purposes of maintenance and consistent application of IFRS Accounting Standards and typically comprise matters that can be resolved efficiently (in two to three years). These activities include the work of the IFRS Interpretations Committee.
- **The IFRS for SMEs Accounting Standard** consists of setting requirements and developing educational materials for companies without public accountability.
- **Connectivity with the ISSB.** The IASB and the ISSB coordinate their work and establish processes to enable connected reporting, ensuring that the IASB's and ISSB's respective requirements are compatible and avoid potential inconsistencies and conflicts. This work includes collaboration with the ISSB on an IASB project (or vice versa).
- **Digital financial reporting** supports the digital consumption of financial information, including by developing and maintaining the IFRS Accounting Taxonomy. It includes consideration of how AI affects user needs.
- **Understandability and accessibility** of IFRS Accounting Standards. Understandability includes, for example, drafting clear IFRS Accounting Standards and developing supporting materials such as snapshots and project summaries. Accessibility includes, for example, using technology to help stakeholders identify applicable principles and requirements.
- **Stakeholder engagement** involves obtaining views from stakeholders to support the development of its high-quality requirements and to promote acceptance of the IFRS Accounting Standards.

2 Content – criteria for assessing projects to be added

- The IASB will need to **prioritise** the financial statement matters identified by stakeholders in their feedback on the Request for Information.
- To do so, the IASB will use **criteria to assess the projects to be added**.
- The range and subjectivity of any criteria means that prioritising matters on the work plan can never be an exact science. Application of the criteria requires judgement.
- Nonetheless, the Request for Information will seek to:
 - obtain information to help the IASB assess each potential project against the criteria
 - obtain feedback regarding whether there are other criteria the IASB should consider.

IFRS Advisory Council

Date **November 2024**
Project **IASB work plan priorities**
Topic **Proposed IASB prioritisation framework**
Contacts **Nili Shah** (nshah@ifrs.org)

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Purpose of the paper

1. As a global standard-setter, the IASB serves nearly 150 jurisdictions, with multiple stakeholders—including users of financial statements, preparers, auditors, regulators, national standard-setters, policy makers and academics. Consequently, the IASB receives many diverse requests to undertake technical projects. However, both the IASB and stakeholders have a finite capacity to address technical accounting matters.
2. The IASB is, therefore, developing a proposed prioritisation framework, as set out in Appendix A, to help it operationalise the principles in the *Due Process Handbook* to consistently prioritise technical projects on its work plan in between its holistic prioritisations through its five-yearly agenda consultation process.
3. For the avoidance of doubt, while the *Due Process Handbook* applies to both the IASB and the ISSB¹, the prioritisation framework set out in this paper is only being considered in

In developing the Request for Information, the staff proposes to leverage the IASB's prioritisation framework, discussed with the Advisory Council in **November 2024** (Appendix). The prioritisation framework is based on criteria consulted on and used during the Third Agenda Consultation and considers connectivity with the ISSB.

3 Content – priority of financial statement matters (1/6)

The Request for Information will seek feedback to enable the IASB to prioritise projects on its work plan – that is, to determine which projects to work on from 2027.

Active projects

- The *Due Process Handbook* states that the agenda consultation ‘could also seek views on...any proposal to withdraw from the Board’s work programme any projects that have not proceeded as planned and for which the prospects for progress are limited’.
- The staff proposes that **no active projects be considered for withdrawal** because:
 - active projects were determined to be priorities in previous agenda consultations.
 - many projects are in advanced stages and will have recently completed consultations to inform project direction. All active projects are proceeding as planned.
 - reconsideration of projects underway at each agenda consultation could lead to inefficient starts and stops, as the life cycle of a major project may be longer than the agenda consultation period (historically, five years).
- The staff proposes to ask for any general comments on the [IASB’s work plan](#). Feedback from the Fourth Agenda Consultation about whether to proceed with individual active projects will be considered as part of deliberations on those individual projects as part of their normal project life cycle. This is to avoid situations in which stakeholders may argue that a project is not a priority simply because the stakeholder does not agree with the IASB’s technical direction.

3 Content – priority of financial statement matters (2/6)

Pipeline projects The IASB has five maintenance and consistent application projects in its [pipeline](#).

<ul style="list-style-type: none"> • Sale and Leaseback of an Asset in a Single-Asset Entity (IFRS 10 and IFRS 16) 	<ul style="list-style-type: none"> • International Tax Reform—Pillar Two Model Rules (IAS 12) • International Tax Reform—Pillar Two Model Rules (Amendments to the <i>IFRS for SMEs</i> Accounting Standard) • Removal of the temporary nature of the exemption in IFRS 6 from the application of paragraphs 11-12 of IAS 8 • Credit risk disclosures—Targeted improvements
<ul style="list-style-type: none"> • The project was referred to the IASB by the IFRS Interpretations Committee, but the IASB has not decided whether to add it to its work plan. • The IASB tentatively decided not to ask a question about this matter in the Request for Information of the Post-implementation Review of IFRS 16 <i>Leases</i>. • The staff proposes to include this project as a potential project on corporate wrappers (slide 18). • The project could be a small project on its own but could be large if all other corporate wrapper matters are included. 	<ul style="list-style-type: none"> • The staff proposes not to ask about reprioritising these projects. This is because: <ul style="list-style-type: none"> • the IASB committed to these projects through other processes (eg, post-implementation reviews) and • these projects are smaller, maintenance projects that are not expected to require significant capacity.

3 Content – priority of financial statement matters (3/6)

New projects

- The staff proposes to include in the Request for Information **descriptions of potential projects**. These descriptions provide a common understanding of the financial statement matters that could be addressed, helping to elicit more focused feedback. The list of potential projects is not intended to be exhaustive and does not represent a draft work plan for the IASB.
- This list will cover:
 - **potential IASB projects**, determined based on the following and adjusted per outreach feedback:
 - short-listed projects identified through the IASB's Third Agenda Consultation, as well as those especially raised by users, that were not added to the work plan
 - projects identified through the IASB's horizon scanning activities
 - projects identified through the IASB's post-implementation reviews
 - projects outside of scope of active projects for which some level of demand has been expressed in comment letters
 - **potential joint IASB-ISSB projects**, determined based on feedback to recent IASB and ISSB consultations and adjusted per outreach feedback.
- Any joint projects added to the IASB's pipeline will need to be a priority for both the IASB and ISSB relative to each board's work plan.
 - The staff proposes to note this point and to link to the ISSB's work plan to help stakeholders consider priorities not only in relation to the IASB's work plan, but also the ISSB's work plan in providing feedback.
 - Any joint projects added to the IASB's pipeline would only start if the ISSB also decides to start the project.
- The IASB will add new projects to its pipeline only if it expects to have capacity to start by 2031 (the end of the Fourth Agenda Consultation period). New projects may not be completed by 2031.

3 Content – priority of financial statement matters (4/6)

Tentative list of potential projects to describe in the Request for Information (and source) – IASB projects

Potential IASB projects*	
<ul style="list-style-type: none"> • Third Agenda Consultation (AC) and Horizon scanning <ul style="list-style-type: none"> • Cryptocurrencies and related transactions (Third AC) • Going concern disclosures (Third AC) • Hyperinflationary accounting (Horizon scanning) • Income tax disclosures (Third AC – user demand) • Operating segments (Third AC) • Pollutant pricing mechanisms (Third AC) • Cross-cutting <ul style="list-style-type: none"> • Collaborative arrangements (PIR IFRS 10-12, PIR IFRS 15) • Corporate wrappers (PIR IFRS 10-12, PIR IFRS 15) • Financial guarantee contracts (PIR IFRS 9) • Service concession arrangements (PIR IFRS 15) 	<ul style="list-style-type: none"> • IFRS 10-12 <ul style="list-style-type: none"> • Disclosures about interests in other entities (PIR IFRS 10-12) • Subsidiaries that are investment entities (PIR IFRS 10-12) • Transactions changing relationships between an investor and an investee (PIR IFRS 10-12) • IFRS 15 <ul style="list-style-type: none"> • Consideration payable to a customer (PIR IFRS 15) • Principal vs. agent (PIR IFRS 15)

* These projects would involve collaboration with the ISSB as needed as part of normal connectivity work

3 Content – priority of financial statement matters (5/6)

Tentative list of potential projects to describe in the Request for Information– IASB-ISSB projects

Potential joint IASB-ISSB projects

Feedback on the IASB Exposure Draft *Climate-related and Other Uncertainties in the Financial Statements*, ISSB Request for Information *Consultation on Agenda Priorities* and IASB Exposure Draft *Management Commentary* identified suggestions for potential joint projects, including:

- A framework, such as a conceptual framework:
 - addressing connected reporting
 - clarifying boundaries between different general purpose financial reports
 - covering sustainability reporting
- Integration in reporting
- Materiality

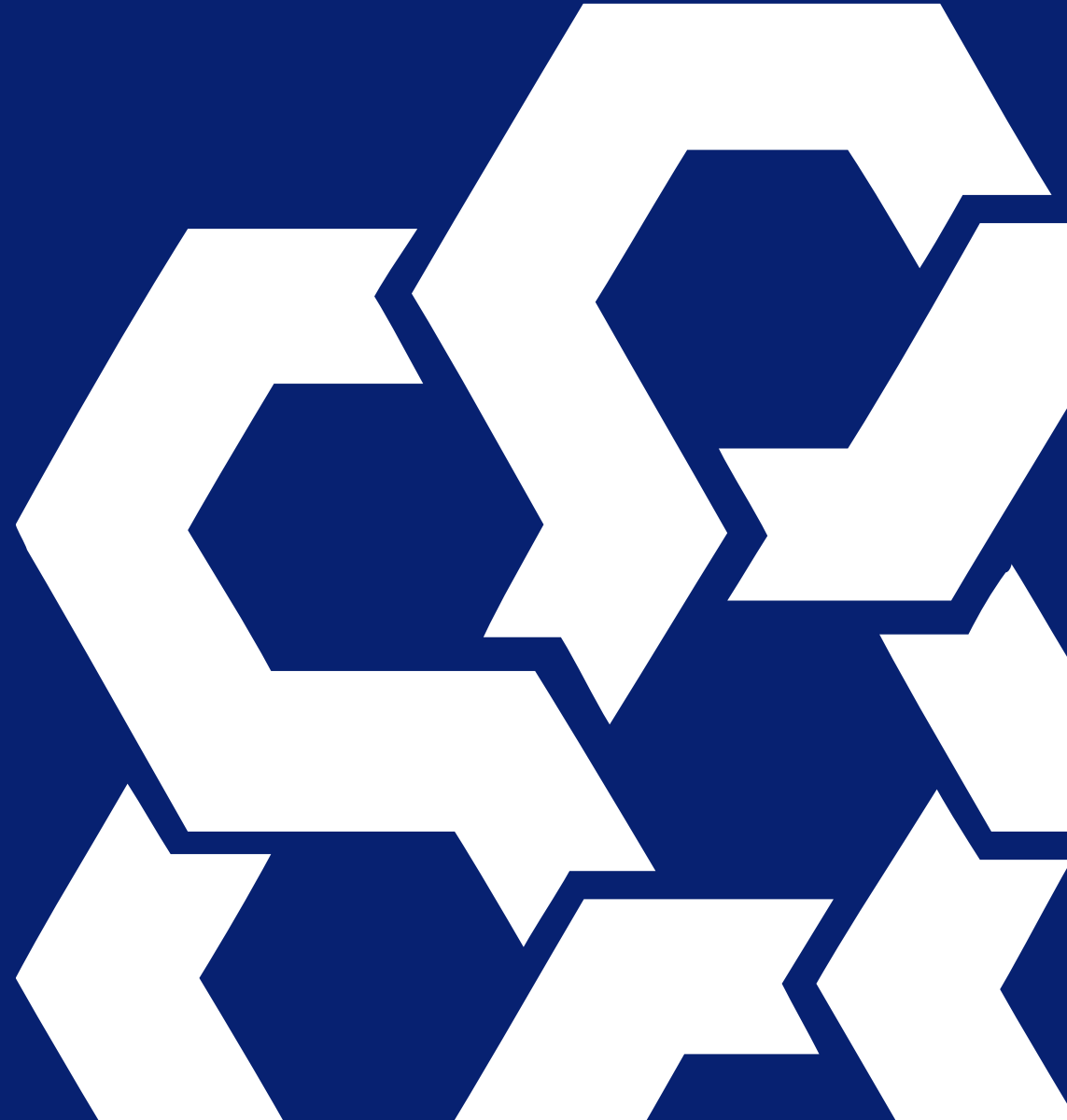
3 Content – priority of financial statement matters (6/6)

Capacity indicators

- The staff proposes to include information about the **IASB’s expected capacity** to add financial statement matters to its work plan from 2027-2031 to help stakeholders in responding to the Request for Information.
- The expected capacity noted would be after setting aside capacity to:
 - continue **active projects** already on its work plan.
 - conduct required **post-implementation reviews**.
 - undertake some **time-sensitive projects** that may arise after this agenda consultation—for example, possible follow-on projects from the required post-implementation reviews, if those projects are determined to be priorities.
- Capacity is limited. We are in the process of developing the capacity indicators for the Request for Information. However, for context, in the Third Agenda Consultation, the IASB added **two major projects** (intangible assets and statement of cash flows and related-matters) and **one narrow-scope project** (climate-related risks in the financial statements) to its pipeline.

Appendix

*Summary of proposed prioritisation
framework*



Summary of proposed prioritisation framework

- **Technical considerations**

- Pervasiveness—a large number of entities are affected or expected to be affected by the matter. Included are considerations about jurisdictions, entities and industries affected to help ensure appropriate balance of those affected by the board’s priorities
- Effects (expected financial reporting benefits exceed costs)—importance primarily based on investor needs, while also considering preparer costs
- Feasibility of standard-setting, given standard-setting investment required
- Strategic priority—such as maintaining the principles-based nature of IFRS Accounting Standards, facilitating connectivity with the ISSB, maintaining convergence with US GAAP, facilitating digital reporting or improving understandability of IFRS Accounting Standards

- **Operational considerations**

- Time-sensitivity
- Synergies with other projects, including relevant research being performed by other standard-setters
- Capacity (internal and stakeholder), including the balance between (1) new IFRS Accounting Standards and major amendments to IFRS accounting standards and (2) maintenance and consistent application.

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