IFRS Accounting

IASB meeting

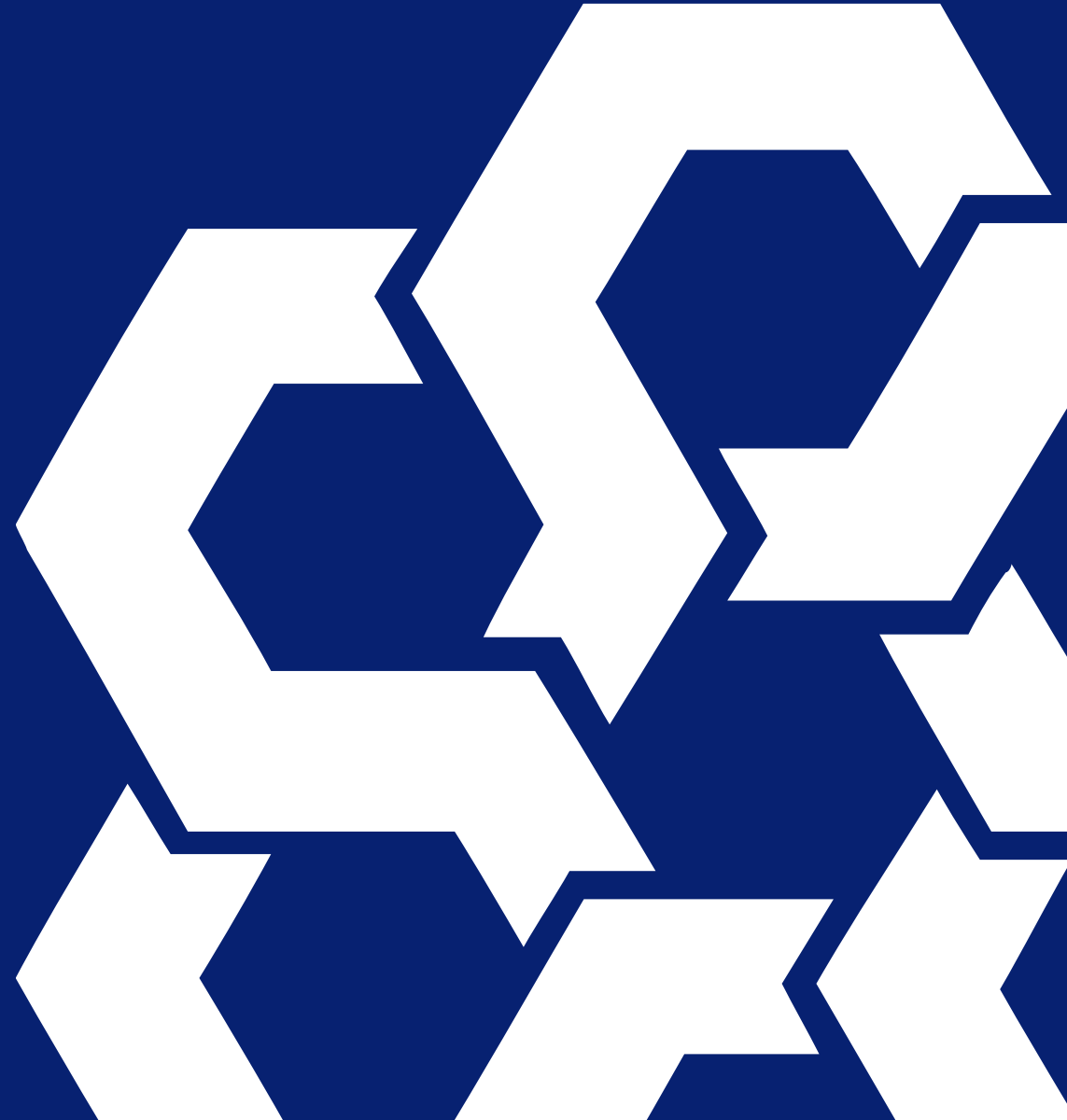|	
Date	**March 2025**
Project	**IASB's Fourth Agenda Consultation**
Topic	**Proposed approach**
Contacts	**Nili Shah** (nshah@ifrs.org)
	Rachel Knubley (rknubley@ifrs.org)
	Jenifer Minke-Girard (jminke-girard@ifrs.org)
	Karen Robson (karen.robson@ifrs.org)
	Megumi Makino (megumi.makino@ifrs.org)

Purpose of this meeting

The purpose of this meeting is to discuss any questions or comments from IASB members about the following:

1. Background to agenda consultations (slides 3-5)

2. Reflections on the IASB's Third Agenda Consultation (slides 6-8)

3. Staff's proposed approach to the IASB's Fourth Agenda Consultation (slides 9-18)

4. Staff's proposed project plan (slides 19-22)

5. Appendix – Tentative list of potential projects to describe in the Request for Information (slides 23-24)

Question for IASB members

1. Do you have any questions or comments on this paper?

Background to agenda consultations

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 (DPOC) 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.

Requirements for an agenda consultation

	Requirements in the *Constitution*	Requirements in the *Due Process Handbook*
What		4.3 …The primary objective of the review is to seek formal public input on the **strategic direction and balance** of the Board's work plan, including the **criteria for assessing projects** that may be added to the Board's work plan. The review could also seek views on **financial reporting matters that respondents think should be given priority** by the Board, together with any proposals to withdraw from the Board's work plan any projects that have not proceeded as planned or for which the prospects for progress are limited.
When	[37(d)(ii)] The IASB shall…[carry] out a public consultation **every five years** from the date of the most recent public agenda consultation.	4.5 …The next consultation should commence **at the latest five years** after the current consultation has been completed.
How	[37(d)(i)] The IASB shall…have full discretion in developing and pursuing its technical agenda, subject to **consulting the Trustees** (consistently with section 16(d)) **and the Advisory Council** (consistently with section 61).	4.3 The Board undertakes a public consultation on the work plan every five years by way of a **public request for information**. The Board normally allows a minimum of **120 days for comment** on a work plan (agenda) consultation request for information…The Board's discussion of potential projects to be added to or withdrawn from the work plan takes place in **public Board meetings**. 4.4 As part of this public consultation, the Board **consults the Advisory Council**. 4.5 …the Board **consults with the Trustees** regarding the work plan and, **through the DPOC, keeps the Trustees informed** of its process in respect of its five-yearly consultation, including how it expects to respond to the input it has received.

Reflections on the IASB's
Third Agenda Consultation

IFRS Accounting
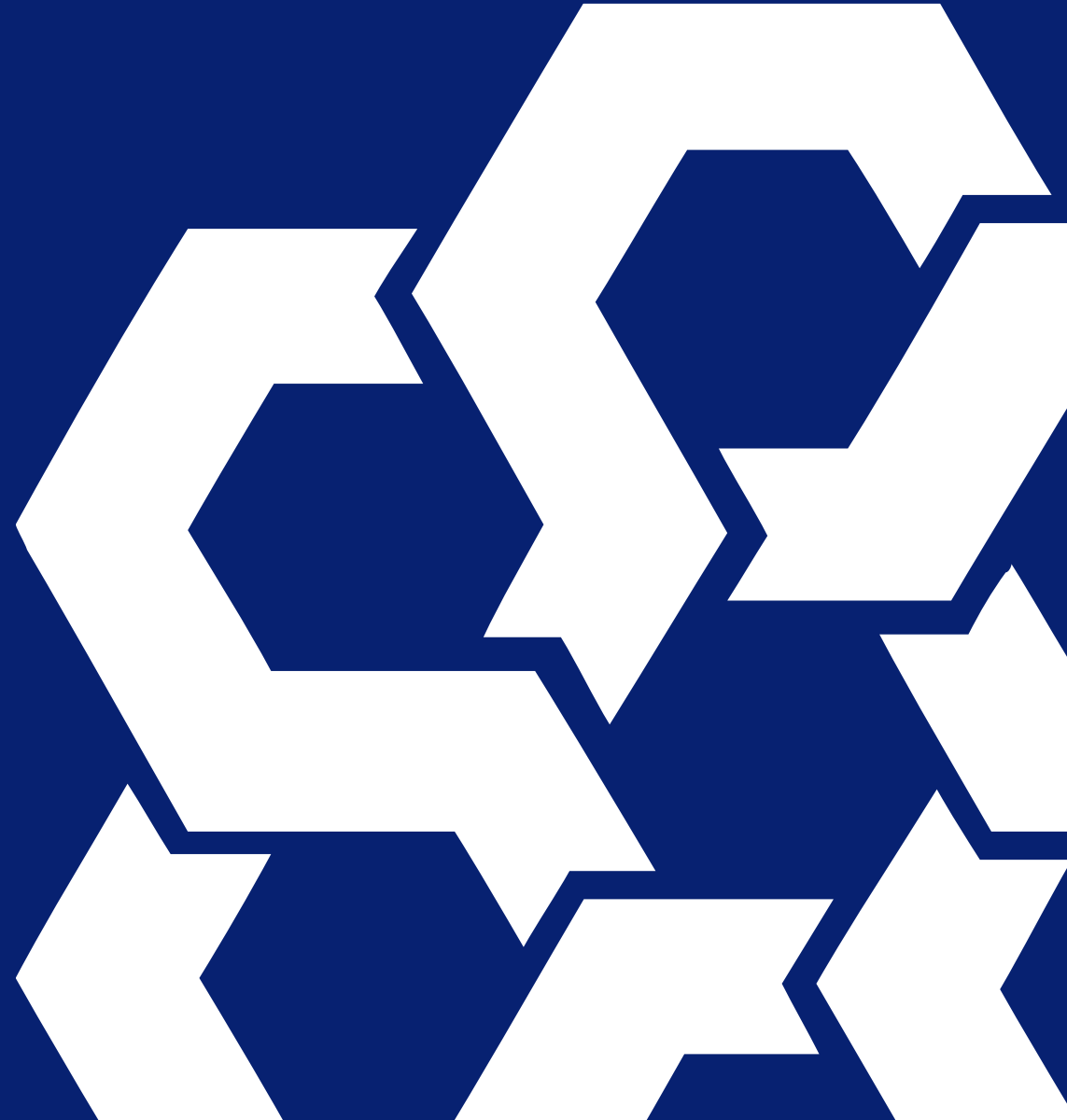
Reflections on the IASB's Third Agenda Consultation (1/2)

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.

Third Agenda Consultation approach	Staff observations
Set out main IASB activities, as the IASB does more than standard-setting: • New Accounting Standards and major amendments • Maintenance and consistent application • IFRS for SMEs Accounting Standard • Digital financial reporting • Understandability and accessibility • Stakeholder engagement	Enabled stakeholders to see a holistic picture of IASB activities and understand capacity trade-offs in providing feedback about strategic direction and balance of the IASB's work. Focused stakeholders' attention on activities within the IASB's remit, as consultation was not about changing remit.
Set out criteria to determine priority projects	Enabled stakeholders to provide feedback that facilitated consistent, structured analysis, decision-making and communication by the IASB.

Reflections on the IASB's Third Agenda Consultation (2/2)

Third Agenda Consultation approach	Staff observations
Set out description of potential financial statement matters that could be added to the IASB's work plan	Enabled a common understanding of potential projects and solutions for stakeholders to provide feedback that facilitated IASB decision-making.
Provided estimates of: • the level of focus on each of the IASB's main activities • capacity to add new projects to the IASB's work plan In the Feedback Statement, the IASB also signalled when the new projects were likely to start.	Information helped: • manage stakeholder expectations • manage IASB work plan – all projects committed to under the Third Agenda Consultation have now started Communication about timing enabled stakeholders, particularly national standard-setters, to conduct research in advance to support prioritised projects, once started
Focused on 'plain English' drafting Provided opportunity for stakeholders to provide feedback via a survey	Enabled stakeholder participation beyond traditional technical respondents.

Staff's proposed approach to the IASB's Fourth Agenda Consultation
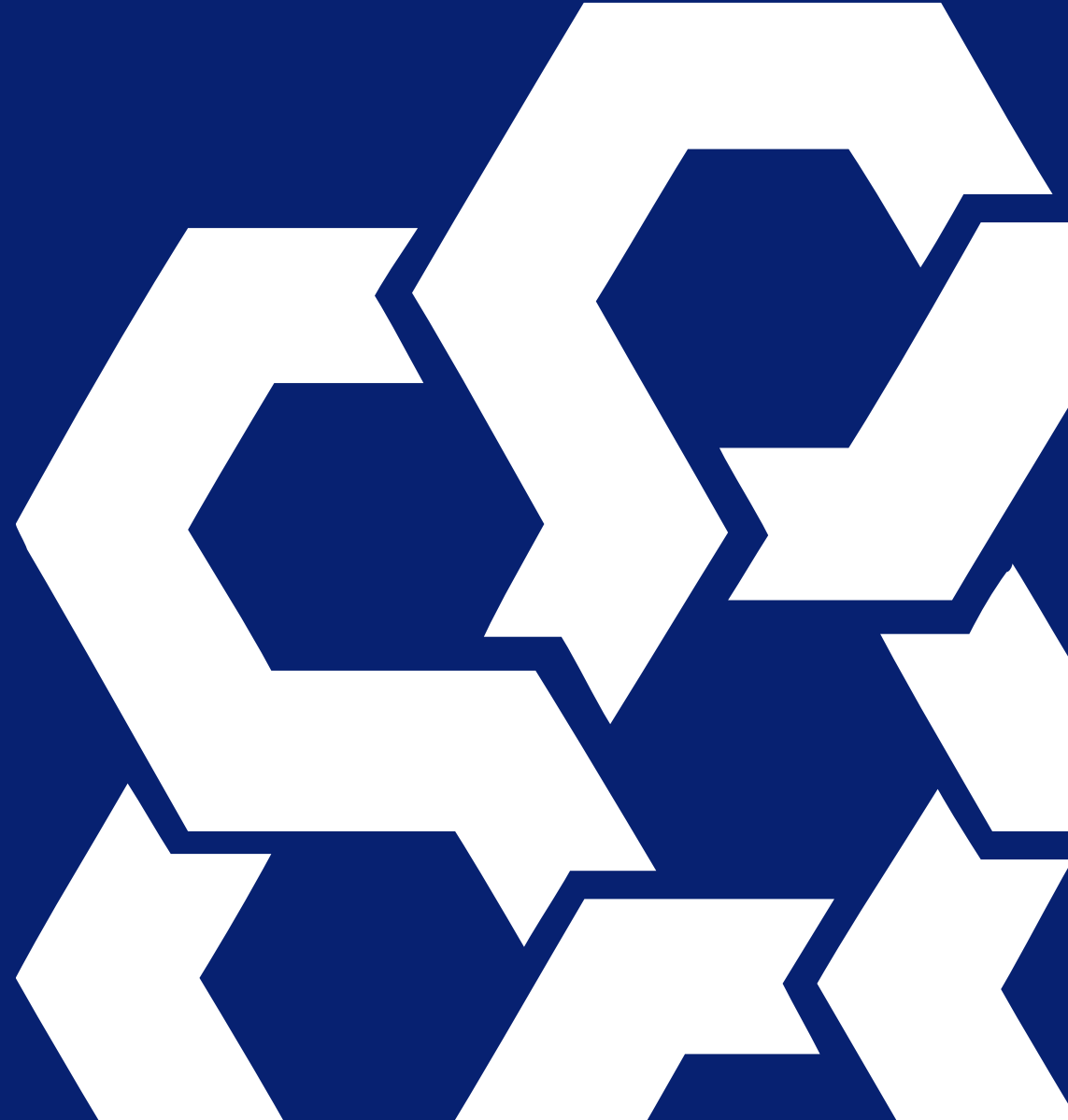
Consideration of the ISSB (1/2)

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 at the same time about the priority of connected work in relation to each board's independent work plan, 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.

Consideration of the ISSB (2/2)

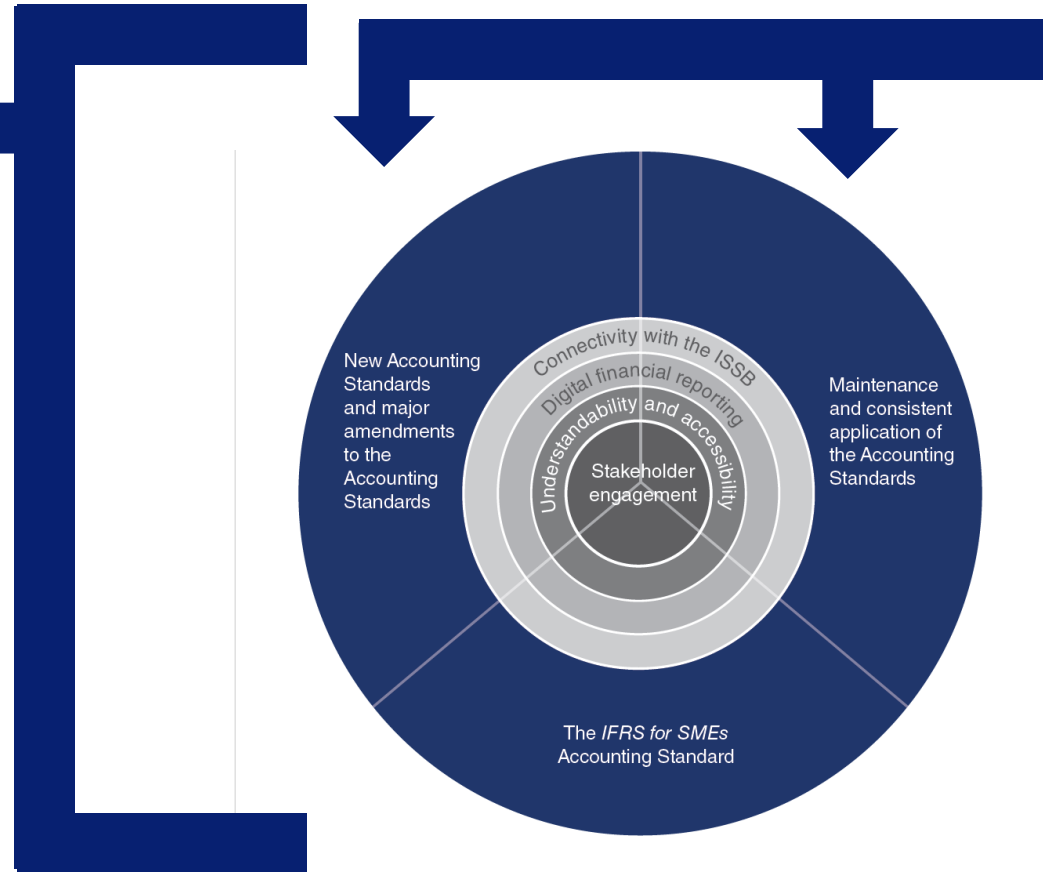**Content in the Request for Information**

- The staff proposes to describe connectivity between the IASB and ISSB, distinguishing between:

  - core connectivity work (slide 13) to ensure each board's respective requirements are compatible and avoid potential inconsistencies and conflicts. This work could include collaboration with the ISSB on an IASB project (or vice versa) and joint educational materials.

  - potential joint projects (developed by both boards) (slide 17).

- 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

Strategic direction and balance
(1) (slide 13)

(2) Criteria for assessing projects to be added (slide 14)

(3) Priority of financial statement matters (slides 15-18)

Due Process Handbook

4.3 …The primary objective of the review is to seek formal public input on the **strategic direction and balance** of the Board's work plan, including the **criteria for assessing projects** that may be added to the Board's work plan. The review could also seek views on **financial reporting matters that respondents think should be given priority** by the Board, together with any proposals to withdraw from the Board's work plan any projects that have not proceeded as planned or for which the prospects for progress are limited.

New Accounting Standards and major amendments to the Accounting Standards

Connectivity with the ISSB

Digital financial reporting

Understandability and accessibility

Stakeholder engagement

Maintenance and consistent application of the Accounting Standards

The *IFRS for SMEs* Accounting Standard

IASB's main activities
Chart not to scale

Content – strategic direction and balance

- 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 on this slide. 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, similar to the Third Agenda Consultation, 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.
  - The staff proposes to reflect core connectivity work, as well as digital financial reporting, as cross-cutting activities, different from the Third Agenda Consultation

- 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.

New Accounting Standards and major amendments to the Accounting Standards

Connectivity with the ISSB

Digital financial reporting

Understandability and accessibility

Stakeholder engagement

Maintenance and consistent application of the Accounting Standards

The *IFRS for SMEs* Accounting Standard
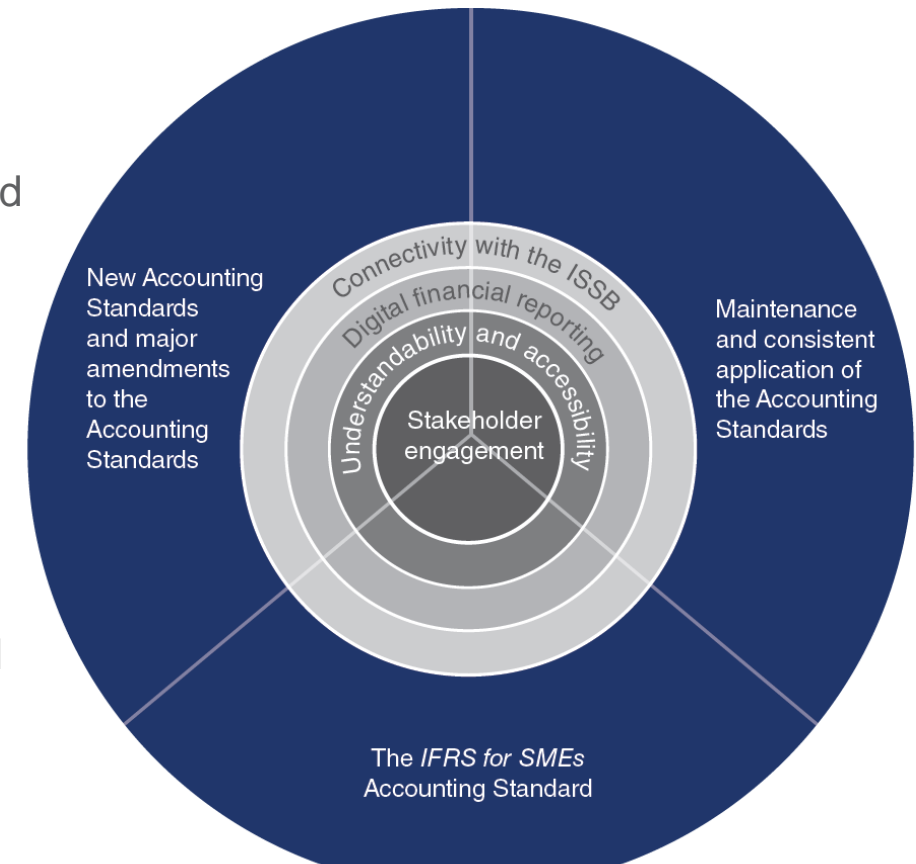
IASB's main activities
Chart not to scale

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.

In developing the RFI, the staff proposes to leverage the IASB's prioritisation framework, last discussed in January 2025. The prioritisation framework is based on criteria consulted on and used during the Third Agenda Consultation, as well as consideration of connectivity with the ISSB.

3 Content – priority of financial statement matters (1/4)

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'.

- Similar to the Third Agenda Consultation, 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).

- Instead, 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 (2/4)

Pipeline projects

- The IASB has five maintenance and consistent application projects in its pipeline.

- Unlike the Third Agenda Consultation, the staff proposes not to ask about reprioritising projects on its pipeline. This is because:
  - 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.

Pipeline projects

- Sale and Leaseback of an Asset in a Single-Asset Entity (IFRS 10 and IFRS 16)
- International Tax Reform—Pillar Two Model Rules (IAS 12)
- International Tax Reform—Pillar Two Model Rules (Amendments to the *IFRS for SMEs* Accounting Standard)
- Removal of the temporary nature of the exemption in IFRS 6 from the application of paragraphs 11-12 of IAS 8 (IFRS 6)
- Credit risk disclosures—Targeted improvements

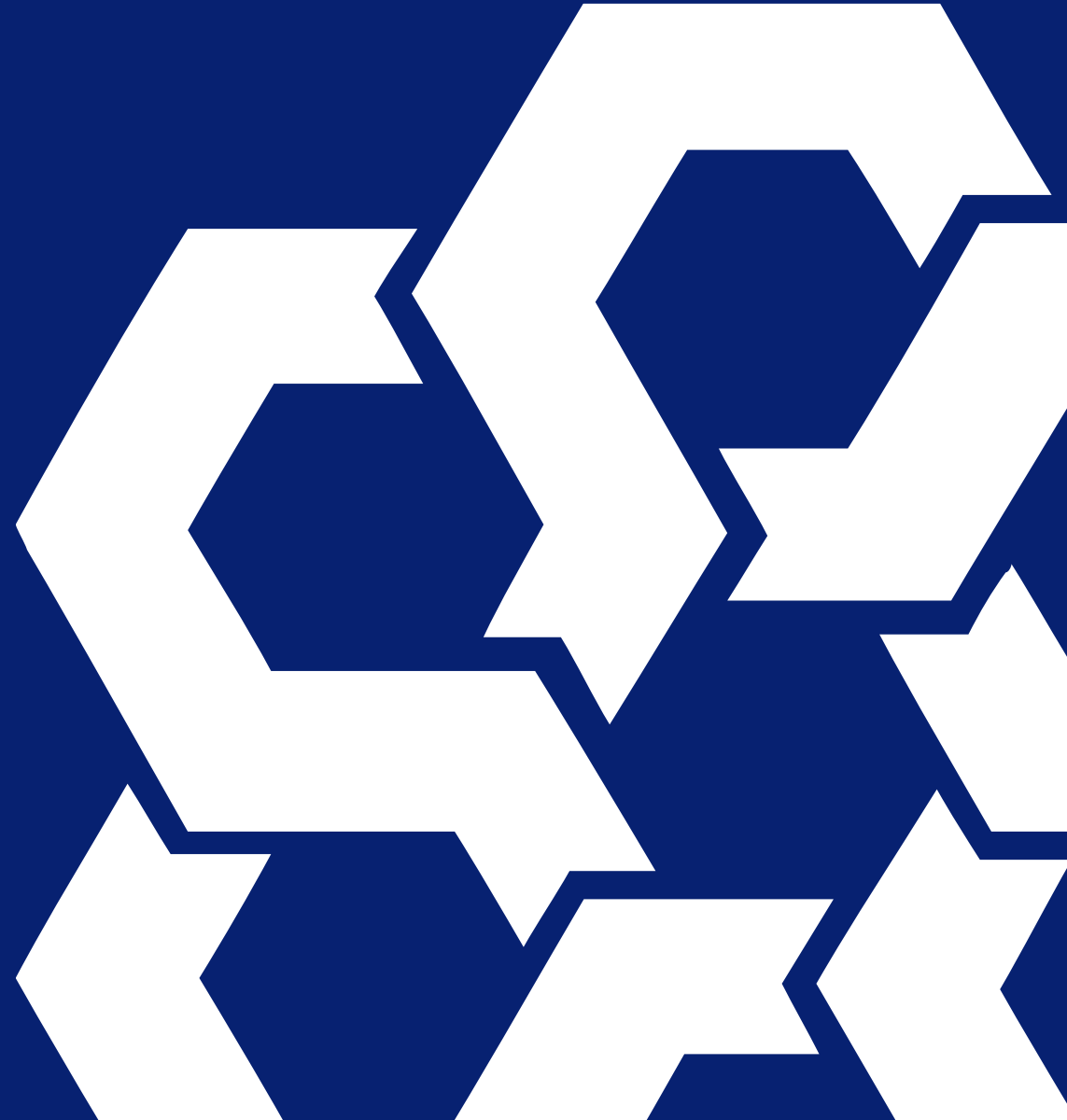# ③ Content – priority of financial statement matters (3/4)

New projects

- Similar to the Third Agenda Consultation, 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 (slides 21-22):
    - 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 (slides 21-22).

- 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 (see slide 18) to start by 2031 (the end of the Fourth Agenda Consultation period). New projects may not be completed by 2031.

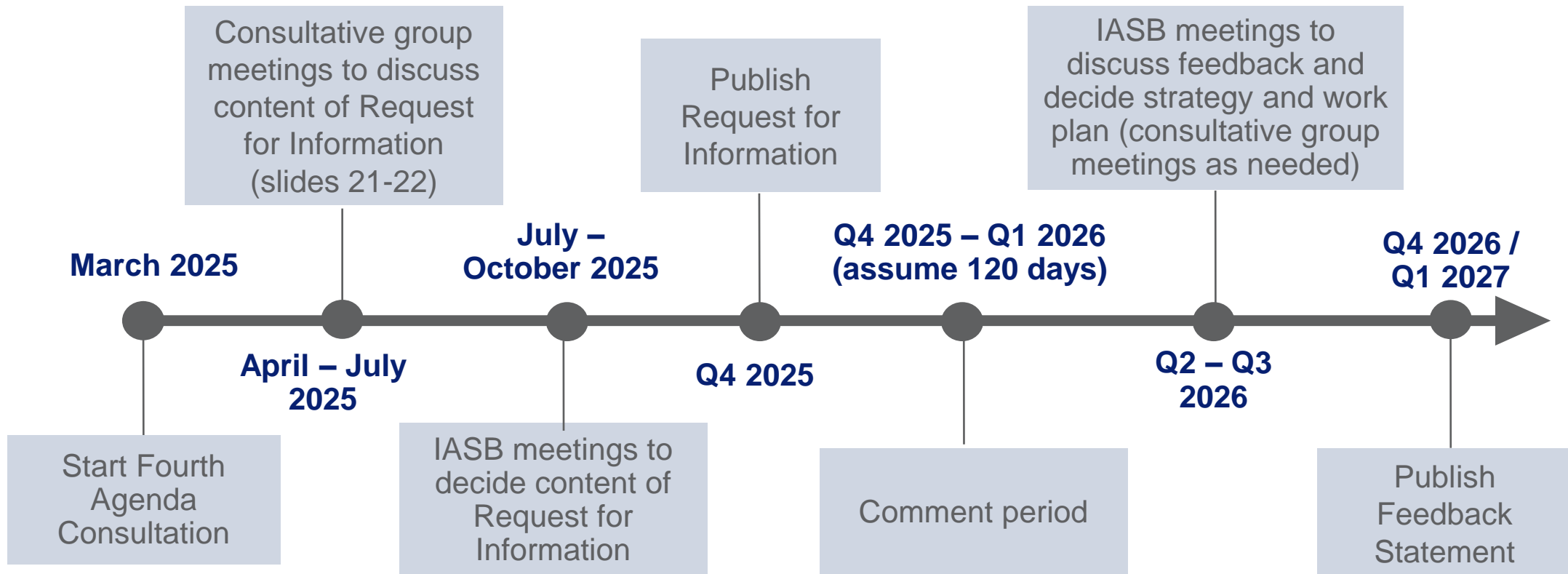# 3 Content – priority of financial statement matters (4/4)

Capacity indicators

- Similar to the Third Agenda Consultation, 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.

Staff's proposed project plan

Staff's proposed project plan

March 2025

Consultative group meetings to discuss content of Request for Information (slides 21-22)

April – July 2025

Start Fourth Agenda Consultation

July – October 2025

IASB meetings to decide content of Request for Information

Q4 2025

Publish Request for Information

Q4 2025 – Q1 2026 (assume 120 days)

Comment period

Q2 – Q3 2026

IASB meetings to discuss feedback and decide strategy and work plan (consultative group meetings as needed)

Q4 2026 / Q1 2027

Publish Feedback Statement

Staff's proposed approach to consultative group meetings (April – July 2025)

Groups we plan to consult

• Advisory Council (April)

• EEG (May)

• IOSCO Committee 1 (May)

• CMAC and GPF (June)

• Interpretations Committee (June)

• ASAF (July)

• Integrated Reporting and Connectivity Council (TBD)

The staff will update and discuss the IASB's Fourth Agenda Consultation with the DPOC, the Trustees and the Monitoring Board.

Staff's proposed approach to consultative group meetings (April – July 2025)

Discussion points

- Provide overview of proposed approach
- Seek feedback to develop descriptions of potential new projects, using frequently suggested matters as a starting point for discussion (slide 24)
  - anything to remove or add to list, noting that capacity is limited so potential projects need to rate highly against assessment criteria (slide 14).
  - problem definition
  - why the matter is important
  - potential solutions

Appendix

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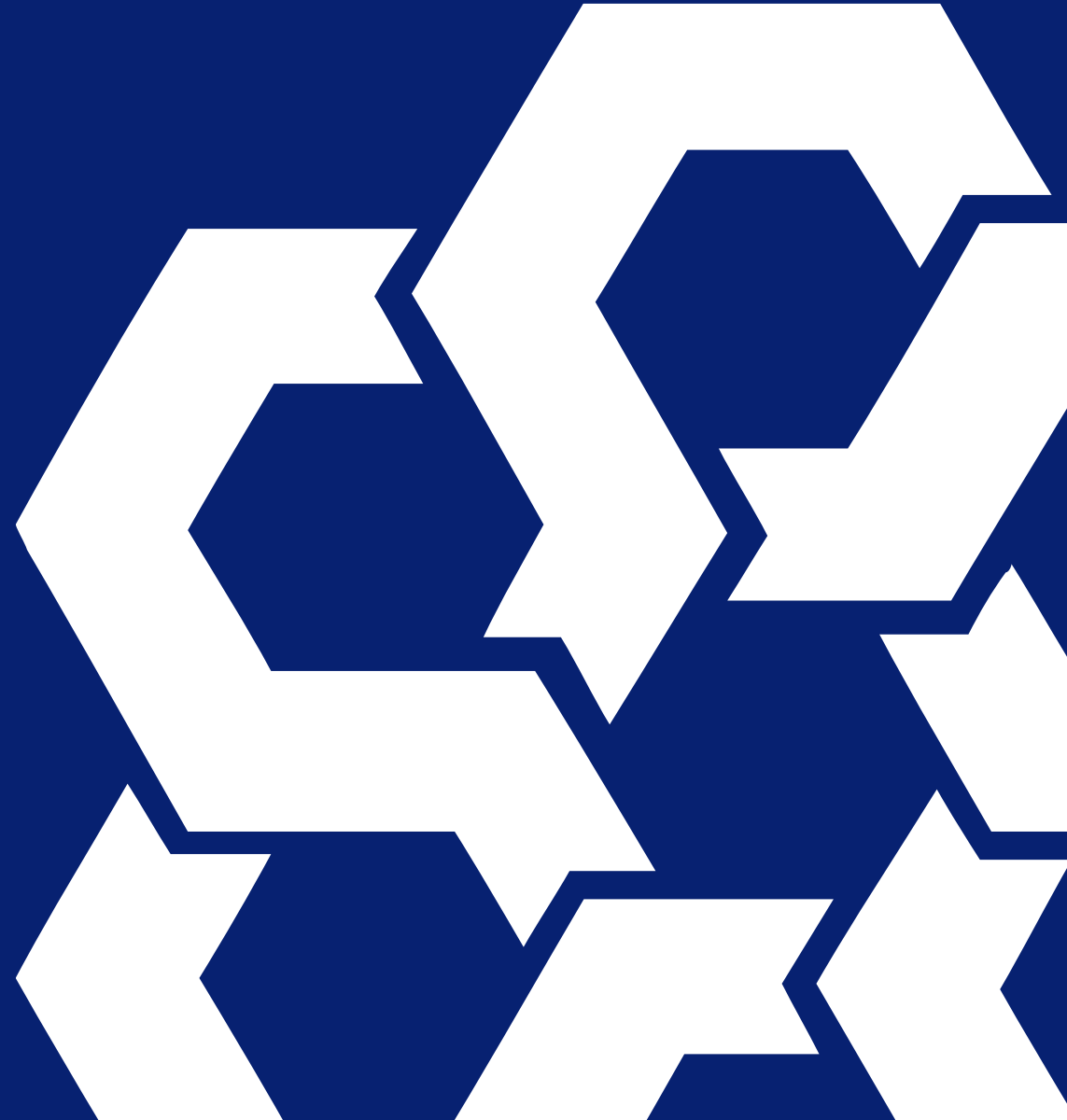
Tentative list of potential projects to describe in the Request for Information (and source)

Potential IASB projects*

- Cryptocurrencies and related transactions (Third Agenda Consultation)
- Going concern disclosures (Third Agenda Consultation)
- Income tax disclosures (Third Agenda Consultation – user demand)
- Operating segments (Third Agenda Consultation)
- Pollutant pricing mechanisms (Third Agenda Consultation)
- Hyperinflationary accounting (Horizon scanning)
- Cross-cutting
  - Applying IFRS 15 with IFRIC 12 (PIR IFRS 15)
  - Collaborative arrangements (PIR IFRS 10-12, PIR IFRS 15)
  - Corporate wrappers (PIR IFRS 10-12, PIR IFRS 15)
  - Financial guarantee contracts (PIR IFRS 9 – impairment)
- IFRS 10-12
  - 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
  - Consideration payable to a customer (PIR IFRS 15)
  - Principal vs. agent (PIR IFRS 15)
- TBD – projects outside the scope of active projects

Potential joint IASB-ISSB projects

Feedback on 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 the following potential joint projects:

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

* These projects would involve collaboration with the ISSB as needed

IFRS®
Accounting

Follow us online

ifrs.org

@IFRSFoundation

IFRS Foundation

International Accounting
Standards Board