

IFRS Developments

Third Agenda Consultation – IASB issues Feedback Statement

What you need to know

- ▶ The IASB holds a public agenda consultation every five years.
- ▶ The IASB has issued a feedback statement on the Third Agenda Consultation, following the publication of a Request for Information (RFI) in March 2021.
- ▶ The RFI sought feedback on the overall balance of the IASB's six key activities.
- ▶ The Feedback Statement summarises the input received on the IASB's activities and work plan for the period 2022 to 2026, and the IASB's response to the comments and suggestions made by stakeholders.

Highlights and background

The International Accounting Standards Board (the IASB) holds a public agenda consultation every five years, and it published a Request for Information (RFI) on the Third Agenda Consultation in March 2021 with a 180-day comment period. The IASB asked for feedback on its activities and [work plan](#) for the period from 2022 to 2026. The IASB received over 150 responses from stakeholders and conducted a number of outreach events. The IASB concluded the Third Agenda Consultation process by issuing its [Feedback Statement](#) on 29 July 2022. The Feedback Statement gives an overview of the input received and the IASB's response to the comments and suggestions made by stakeholders.

The RFI sought feedback on the overall balance of the IASB's six main activities, namely:

- ▶ New IFRS accounting standards (Accounting Standards) and major amendments to Accounting Standards
- ▶ Maintenance and consistent application of the Accounting Standards
- ▶ The *IFRS for SMEs* standard
- ▶ Digital financial reporting
- ▶ Understandability and accessibility of Accounting Standards
- ▶ Stakeholder engagement

In the RFI, the IASB asked stakeholders to take into account that its current level of resources would remain mostly unchanged from 2022 to 2026. This was an important consideration when giving feedback on the level of focus on the above activities, because an increase in allocation of resources to one activity would mean that less resources would be available for others.

The IASB's priorities for 2022 - 2026

The IASB has decided to leave the current level of focus on its main activities mostly unchanged. An executive summary of the IASB's expected focus for each of its main activities is given below.

New Accounting Standards and major amendments to Accounting Standards

The IASB plans to continue working on research and standard-setting projects on its current [work plan](#), as well as to complete the Post-implementation Review (PIR) of IFRS 9 *Financial Instruments*. It also intends to conduct the PIRs of both IFRS 15 *Revenue from Contracts with Customers* and IFRS 16 *Leases* in the next five years.

In addition, the IASB plans to start three new projects, as follows: to review the accounting requirements for intangible assets; to review the accounting requirements for the statement of cash flows and related matters; and to respond to other time-sensitive issues that may arise during the next five years. The IASB has created a reserve list for two further projects, if capacity : operating segments; and pollutant pricing mechanisms.

The IASB will work with the International Sustainability Standards Board (ISSB) on relevant joint projects, such as management commentary.

Maintenance and consistent application of Accounting Standards

The IASB, together with the IFRS Interpretations Committee (the Committee) will continue work on maintaining and supporting the consistent application of Accounting Standards.

In addition, the IASB and the Committee will start a new narrow-scope project to assess whether action is needed to improve the accounting for climate-related risks in the financial statements. This project will consider the educational material, [Effects of climate-related matters on financial statements](#), and the ISSB's planned Sustainability Disclosure Standard on climate-related disclosures, which will be co-ordinated with the ISSB.

The IFRS for SMEs standard

The IASB will complete the second comprehensive review of this accounting standard, and will prepare educational materials to help constituents to better apply the standard. The SME Implementation Group will assist the IASB in a consultative capacity.

Digital Financial Reporting

The IASB will increase its focus to a small extent on this activity by, among others, improving the existing IFRS accounting taxonomy and engaging further with other stakeholders in the digital financial reporting space, which will help to improve the quality and comparability of digital financial information.

In addition, the IASB will work with the ISSB to ensure consistency with the existing IFRS accounting taxonomy when developing the IFRS sustainability disclosure taxonomy.

Understandability and accessibility of Accounting Standards

The IASB plans to focus more on this activity by exploring new and different ways to improve the understandability and accessibility of Accounting Standards, in addition to existing efforts in this area.

The IASB and the ISSB will look for potential collaboration opportunities to ensure that the two sets of standards are drafted in a consistent manner. The two Boards plan to explore technology options to maximise accessibility and connectivity between the two sets of standards.

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Stakeholder engagement

The IASB will continue with its current methods of engaging with stakeholders, such as holding its annual conference and working with its various advisory and consultative bodies. In addition, the IASB and ISSB will look to identify opportunities to most efficiently engage with stakeholders on joint topics.

How we see it

We welcome the finalisation of the Third Agenda Consultation process and the publication of the *Feedback Statement*. We are encouraged to see that the IASB and the ISSB intend to work collaboratively on many aspects. Striving for consistency in quality and process between the two sets of standards will be helpful to stakeholders of the IFRS Foundation, as will the efforts made to avoid overloading stakeholders with multiple outreach requests.

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