

European Financial Reporting Advisory Group ■

DRSC meeting

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Key messages



- Need for a period of calm
- Need for an evidence based agenda setting process
- Convergence cannot be the driver for agenda setting
- Enhancing the Conceptual Framework is crucial

Period of calm



- Stable platform
- Prevent evolutions and changes to IFRS are not well understood by users and preparers
- Prevent inconsistent implementation of IFRS
- A period of calm is not the same as no work should be done

Question to participants



Are there areas in financial reporting that are in compelling need for change? And if so, what are they?

IASB's tentative view (1)



Developing financial reporting

Strengthening the consistency
Research
Filling gaps

Maintaining existing IFRSs

Understand operational issues
Improve consistency and quality of application

EFRAG's preliminary view



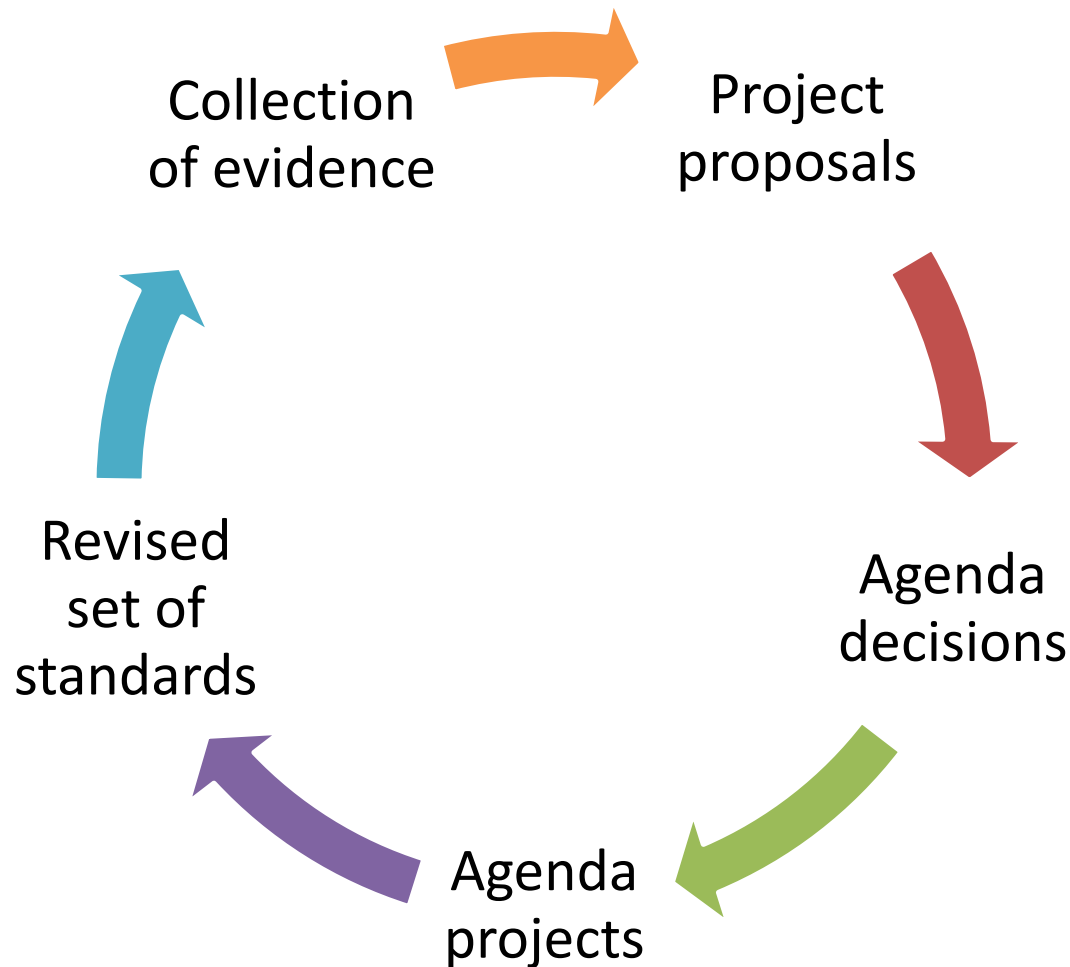
- Distinction between different categories of strategic areas not supported in relation to agenda setting
- Different activities are inter-related
- Agenda decisions based on assessment of existing IFRS practice against the evolving needs for improved financial reporting

Evidence based agenda proposals



- A critical void in IFRS requirements
- Changes in underlying economics and transactions resulting in information prepared under existing requirements becoming less relevant
- Post implementation reviews/surveys show that information prepared under existing standards is not effective

Evidence-based agenda setting process



Questions to participants



EFRAG's proposal will result in more preparation and consultation before the IASB can include a project on its agenda.

- a) Is this an efficient use of constituents' and the IASB's time?
- b) Is the approach suggested by EFRAG the right approach?

Convergence



ADOPTION ~~Convergence~~

Question to participants



Should convergence (i.e. Bringing different sets of GAAP closer together) play a role when the IASB sets its agenda?

Conceptual Framework



Is proposal in accordance with the Conceptual Framework?

Yes

Continue

No

Debate on the issue is needed before continuing (unless strong and convincing arguments for continuing)

Question to participants



Should it, unless strong and convincing arguments for the contrary, be impossible to issue new requirements that are in conflict with the Conceptual Framework?

IASB's question



What projects (whether on the list of deferred projects and new project suggestions or not) do constituents think are the most important projects to consider?

Specific agenda projects



- Limited number, meeting time and resources available
- More resources on developing project proposals
- More resources on post-implementation reviews

Question to participants



Should EFRAG's pro-active projects that are advanced or close to publication of a discussion paper be amongst the first priorities of the IASB:

- Business Combinations Under Common Control
- Income Tax
- Disclosure Framework

Question to participants



Is it possible currently to provide input to the IASB on what specific agenda proposals should be included on its agenda – if so, what projects should be included?

Thank you for your attention!

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