

STAFF PAPER

May 2017

Board Meeting

Project	Research Programme		
Paper topic	Research Update		
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Purpose of the paper

1. This paper gives a brief update on the research programme since the last update, provided in the Board's February 2017 meeting.
2. Appendix A lists the Board's active research projects and the projects in its research pipeline. More information can be downloaded from the individual project pages, which can be accessed through <http://go.ifrs.org/IASB-Work-Plan>.

Recent developments in active research projects

3. In March 2017, the Board published the Discussion Paper *Disclosure Initiative—Principles of Disclosure*.
4. In March 2017, the Board completed its discussion of its research project on Discount Rates.
 - (a) The staff will develop a brief Research Summary document to help make the work performed on Discount Rates visible and more readily retrievable, and are developing a similar document for the work on Share-based Payment. The staff intend to develop similar documents for previous research projects on Foreign Currency Translation, High Inflation, Income Taxes and Post-employment Benefits.

- (b) One output of the Discount Rates project was a list of matters for the staff to consider in future standard-setting work relating to discount rates and other aspects of present value measurements.
 - (c) An education session at a future Board meeting will provide information on low and negative discount rates. The implications of these rates were beyond the scope of the research project.
5. In March 2017, the Board instructed the staff to commence the balloting process for a Discussion Paper on Financial Instruments with Characteristics of Equity.
6. The staff have discussed the following other research projects with the Board or its advisory bodies since the Board's February 2017 meeting:
- (a) Primary Financial Statements:
 - (i) Board March 2017: discussion of two possible subtotals in the statement(s) of financial performance, as well as guidance on classification, aggregation and disaggregation.
 - (ii) Board April 2017: an update from the US Financial Accounting Standards Board (FASB) on its project on Financial Performance Reporting.
 - (iii) ASAF March 2017: update on the scope of the project and future topics to be discussed.
 - (i) CMAC March 2017: update on the project and views sought on how users of financial statements consume data.
 - (b) Goodwill and impairment:
 - (i) Board March 2017: project plan.
 - (ii) GPF March 2017: possible approaches that would simplify the impairment testing model but not make it less robust.
 - (c) Dynamic risk management:
 - (i) Board March 2017: project plan.
 - (ii) ASAF March 2017: research findings of the European Financial Reporting Advisory Group (EFRAG).
7. Staff leading the project on Business Combinations under Common Control are currently committed to other projects. Consequently, the Board has not discussed

this project in the last few months. In March 2017, the Global Preparers Forum discussed preliminary views developed by the staff in previous work on some aspects of this project. The staff expect to restart work on this project towards the end of the second quarter of 2017.

Question for the Board

Do Board members have any questions or comments on the projects or about the research programme generally?

Appendix A: Summary of the Research programme at May 2017

Active research projects

- A1. Eight research projects are on the Board's active work plan. Six are expected to continue throughout 2017 and the other two are likely to be completed by mid 2017.

Projects that will still be active throughout 2017
Disclosure Initiative—Principles of Disclosure
Primary Financial Statements
Business Combinations Under Common Control
Dynamic Risk Management
Financial Instruments with Characteristics of Equity
Goodwill and Impairment
Projects close to completion—likely to be completed by mid 2017
Discount Rates [complete, except for Research Summary]
Share-based Payment [complete, except for Research Summary]

Research pipeline

- A2. There are eight projects in the research pipeline. The staff do not expect to begin work on any of the pipeline projects in the next few months.

Pipeline projects—now inactive, but likely to start or restart during the period 2017-2021	
<i>Projects that depend on other activities</i>	<i>Other projects</i>
Equity Method	Extractive Activities
Pollutant Pricing Mechanisms	Variable and Contingent Consideration
Provisions	
<i>Narrow-scope studies to assess whether targeted amendments are feasible</i>	
High Inflation—the scope of IAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	
Pensions—benefits that depend on asset returns	
SMEs that are subsidiaries—disclosures	

Wider corporate reporting

- A3. In March 2017, the Board discussed the results to date of the research into the area of wider corporate reporting. (This research is not listed as active research project and is not listed in the research pipeline.)
- (a) The Board tentatively decided to consider playing a more active role and suggested doing further research, given the growth in prominence of wider corporate reporting.
 - (b) The Board discussed options for a more active role in wider corporate reporting and tentatively decided to consider a project to revise and update its Practice Statement *Management Commentary*. The Board commissioned the staff to do further analysis, including consulting with the IFRS Advisory Council, before preparing a formal proposal to add a project to the active research agenda.