

## Public consultation on IASB agenda for next three years



### Highlights

- First public consultation by IASB on its agenda
- Sets out IASB's views on its strategy for setting its agenda
- Seeks views on this strategy and its future work programme

On 26 July 2011 the IASB<sup>1</sup> issued a request for views on its agenda setting. The purpose of the Agenda Consultation 2011 is to supplement the IASB's consultation with the IFRS Advisory Council and to obtain input on the IASB's agenda-setting process.

### Summary of the consultation

The Agenda Consultation 2011 sets out the IASB's view that there are three key aspects that should be reflected in its strategy for setting its technical agenda.

- **A more diverse IFRS community** – Most major economies now are using, or have announced plans to converge with or adopt, IFRSs. As the IFRS community continues to grow it is becoming more diverse and, as a result, new financial reporting issues may need consideration.
- **A more complex market environment** – Over the past ten years financial markets have become increasingly complex and new issues and challenges have emerged that may need consideration.
- **A number of changes that require implementation** – The IASB's focus on convergence of US GAAP with IFRSs and the acceleration of projects in response to the financial crisis have placed significant demands on both preparers and users of financial statements. The IASB recognises that it may need to rationalise its work programme to reduce this pressure.

The IASB also notes that as the result of the first part of the Trustees' Strategy Review, two important tensions have been identified in relation to the quality and implementation of the standards that require consideration. These are:

- the need to demonstrate the quality and relevance of the standards; and
- the risk that divergence may be created by implementation and adoption approaches.

The IASB believes that its overall strategic approach needs to address these two tensions. In view of these considerations, the IASB considers that there are five strategic areas driving its work relating to both developing and maintaining financial reporting under IFRSs.

### Developing financial reporting

- Strengthening the consistency of IFRSs by completing the update of the conceptual framework, and improving the usability of financial reports through the development of a presentation and disclosure framework.
- Investing in research to develop further its vision of the shape of financial reporting, including exploring the interaction of IFRSs with integrated reporting.
- Filling gaps in IFRSs by undertaking standards-level projects, i.e. developing new IFRSs or making major amendments.

### Maintaining existing IFRSs

- Obtaining a better understanding of operational issues of new IFRSs and major amendments through conducting post-implementation reviews.
- Improving the consistency and quality of the application of IFRSs by responding to implementation needs arising from the revised set of IFRSs. This can be done through the use of targeted, narrow-scope improvements to IFRSs, including consideration of the completeness and consistency of integration of XBRL<sup>2</sup> with IFRSs.

## Request for views

The Agenda Consultation 2011 asks constituents open questions to gather views on the IASB's future work programme. In particular, the IASB is seeking feedback on how it should balance the development of financial reporting with the maintenance of IFRSs by asking questions on:

- what constituents believe should be the IASB's strategic priorities over the next three years;
- whether they agree with the proposed IASB approach; and
- how they would balance the two categories and the five strategic areas within them identified by the IASB.

The IASB also is asking for input on how the IASB should prioritise its projects in light of time and resource constraints.

This consultation does not address the three-year review cycle of the *IFRS for Small and Medium-sized Entities*; a consultation that will proceed separately from this review.

## Timeline for consultation

The IASB's comment deadline is 30 November 2011. The IASB plans to start its discussions in the first quarter of 2012 when it also will publish a comment summary. It plans to issue a Feedback Statement in the second quarter of 2012.

### Abbreviations

- 1 IASB: International Accounting Standards Board
- 2 eXtensible Business Reporting Language

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