

IFRS developments and engagement with the academy

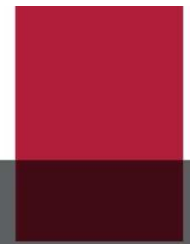
Amaro Gomes,
Board Member
agomes@ifrs.org

XVI Congresso Internacional de Contabilidade e Auditoria (CICA)
Aveiro, Portugal
October 2017

The views expressed in this presentation are those of the presenters, not necessarily those of the International Accounting Standards Board (the Board) or IFRS Foundation.

Copyright © IFRS Foundation. All rights reserved

- Introduction: Dimensions of the IASB's work
- Where we are: implementation of recently issued standards
- Standard-setting process: Evidence-informed decision-making
- IASB engagement with academics
- IASB work plan 2017-2021: Where to focus research
- Conclusion

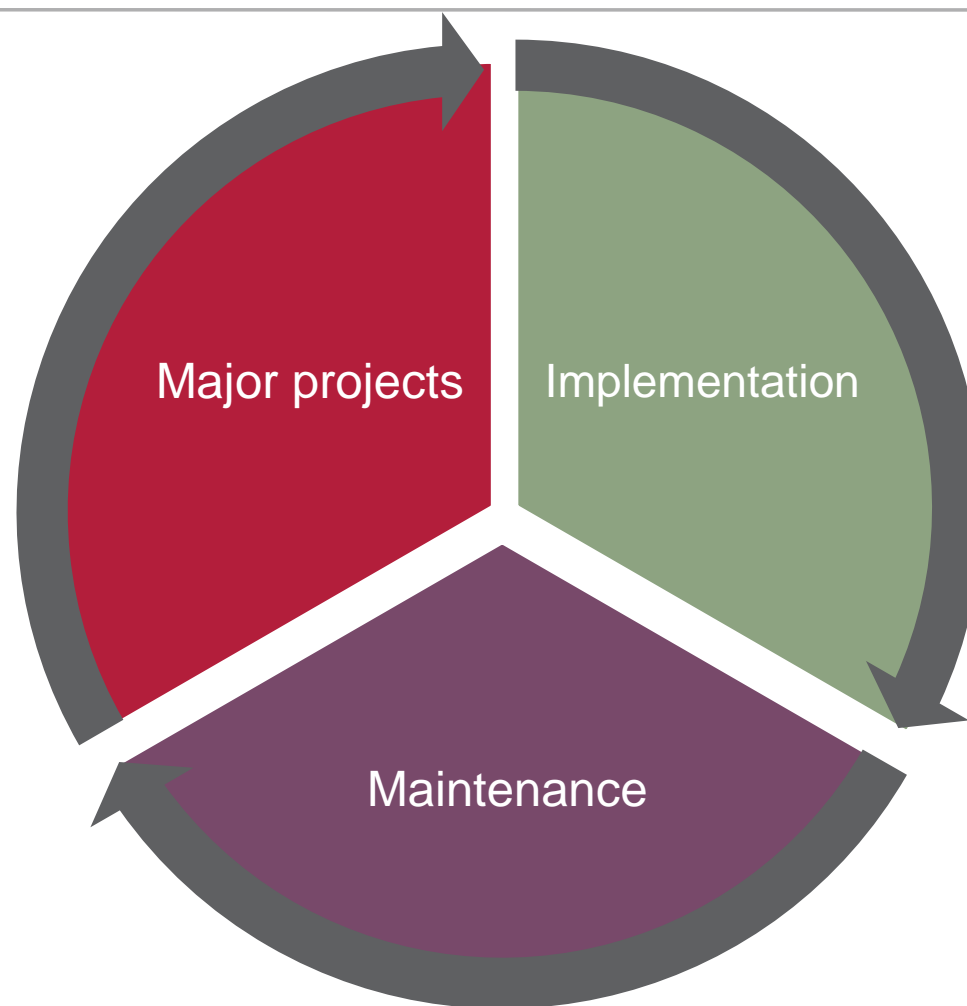


Introduction

Dimensions of the IASB work

Dimensions of the IASB's work

4



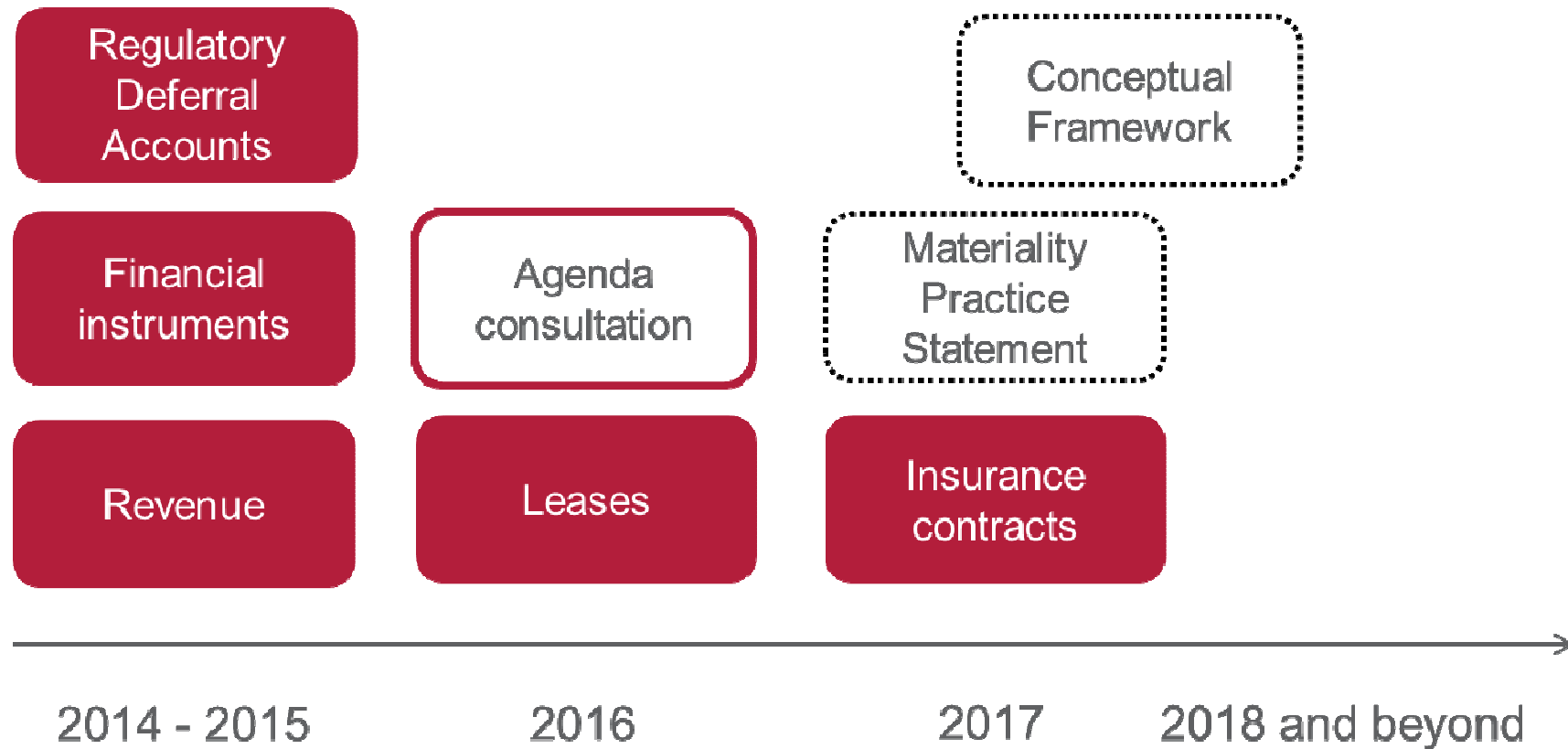
Work Plan established after public consultation in 2015



Where we are

Implementation of recently issued standards

IASB – Where we are: IFRS

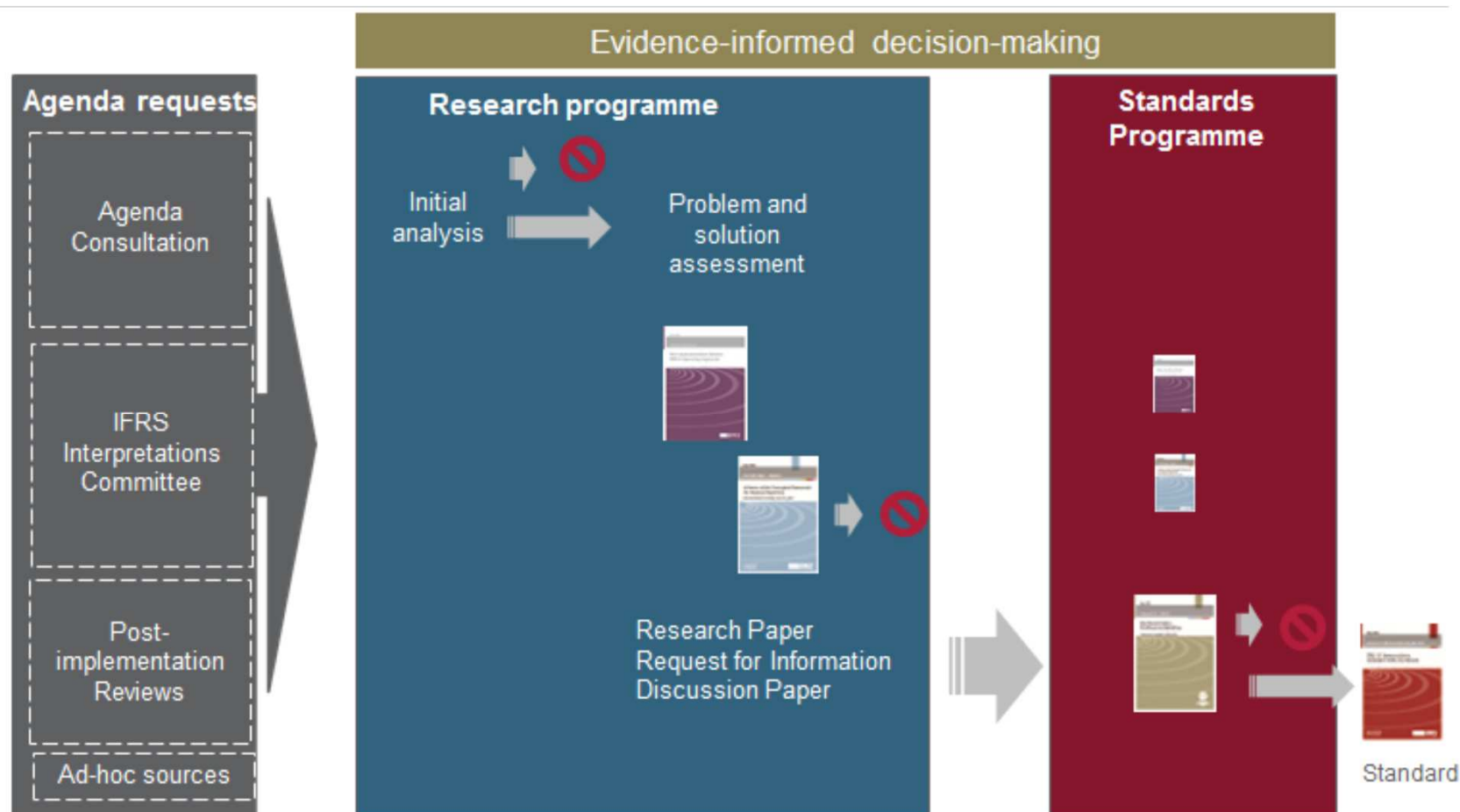


Standard-setting process

Evidence-informed decision-making

The IASB's standard-setting process

8



Evidence-based decision-making:

Research topics

- Potential issues come from:
 - Agenda consultation
 - IFRS Interpretations Committee
 - On-going outreach

Evidence-informed decision-making: The research programme

10

- Research and development programme
 - Low threshold to get onto
 - High threshold to progress to standard-setting
- Emphasis: defining the problem
 - There is a financial reporting matter
 - Justifies an effort by the IASB
 - Evidence-based
- Designed to **shorten** time to develop improvements to financial reporting, by:
 - Clarifying the problem before a tentative solution is developed
 - Feeding manageable projects into the Exposure Draft phase on a timely basis

Evidence-based decision-making:

Outcomes

11

- Recommendation to:
 - Propose a change to IFRS
 - Put a project on hold, for the time being
 - resourcing
 - other factors
 - Stop working on the issue
 - Develop education or support material



IASB engagement with academics

- Evidence-informed decision-making
- Bridging the gap between the academic community and the IASB



IASB engagement with academics

Evidence-informed decision-making

Evidence-informed decision making:

Where evidence is helpful

14

- Identifying financial reporting problems
 - Financial reporting differences
 - Scale
 - Evidence of estimation error
- Assessing solutions
 - Surveys
 - Decision experiments
 - Evidence of how information is incorporated by markets
 - Fieldwork
 - Systems testing
 - Testing draft words
 - Financial statement simulations
- Implementation
 - Evidence of diversity

Evidence-informed decision making: Sources

15

- IASB work
 - Field testing
 - Review of financial statements
 - Modelling
- Independent research
 - Existing literature
 - Fostering new research

Evidence-informed decision making:

Challenge in using academic research

16

- Timeliness
- Vast literature
- Not accessible
- Needs interpretation
- Understand limitations
- Over-claiming results

Evidence-informed decision making: IASB has to avoid

17

- Selectivity bias
 - Small (not robust) population
 - Using only favourable research: need to approach holistically
- Biased population
 - English
 - Limited to capital markets



IASB engagement with academics

Bridging the gap between the academic community and the IASB

- IASB External Research Website
<http://www.ifrs.org/IFRS-Research/Pages/IFRS-Research-Centre.aspx>
- Evidence-supported standard-setting
 - Explanations of when, and how, we use research
- Research opportunities
 - Awareness of work programme and specific issues
 - Topics
 - Timing

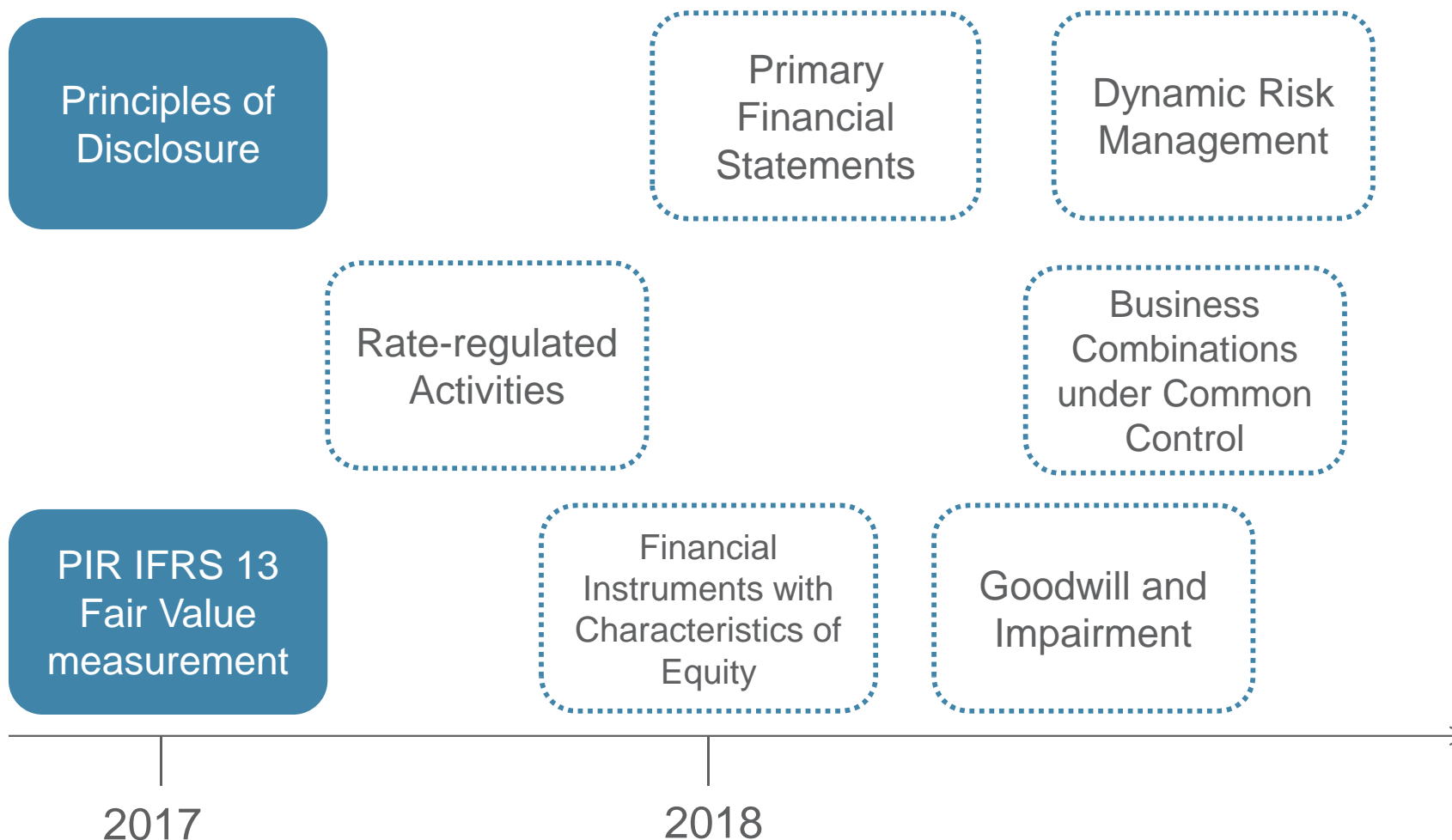
- Research impact
 - When we have used research
- News and events
 - Summary of IASB discussions of projects on its research programme
 - Events

- 2014 event
 - in conjunction with Accounting and Business Research
 - held at SAID Business School, Oxford University, UK
 - focused on Conceptual Framework
- 2015 event
 - in conjunction with Accounting and Finance, AFAANZ
 - held in Hong Kong
 - broad range of topics
- 2016 event
 - in conjunction with Contemporary Accounting Research
 - held at Waterloo, Canada
 - broad range of topics
- 2017 event
 - in conjunction with European Accounting Review and Accounting in Europe
 - To be held in Brussels, Belgium (28 November 2017)
 - broad range of topics

IASB work plan 2017–2021: *Better communication in financial reporting* Where to focus research

2017-2021 Work plan

23



Central theme of Board's work 2017-2021

Primary
Financial
Statements

Disclosure
Initiative

IFRS
Taxonomy™

Content and its organisation

Content delivery

Disclosure Initiative and related projects

25

Disclosure Initiative

Related projects

Completed projects

Materiality implementation projects

Research projects

Amendments to IAS 1 to remove barriers to application of judgement

Amendments to IAS 7 to improve disclosure of liabilities from financing activities

Materiality Practice Statement

Definition of material

Principles of Disclosure (POD)

Comment deadline:
2 October

Standards-level Review of Disclosures

Conceptual Framework

Primary Financial Statements

The Disclosure problem:

1. Not enough relevant information
2. Too much irrelevant information
3. Ineffective communication

Conclusion

Current research programme:

Opportunity for academics

27

- Principles of Disclosure
- Primary Financial Statements
- Business Combinations under Common Control
- Dynamic Risk Management
- Financial Instruments with Characteristics of Equity
- Goodwill and Impairment

Current research programme:

Opportunity for academics

28

- IASB
 - Obtains a broader range of (different) perspectives
 - Better decision making
 - Better informed decisions
 - Ability to defend decisions
- Academics
 - Potential for research to have an observable effect
- IASB and Academics
 - Get a better understanding of each others needs
 - Reduce the expectation gaps

individual comments
view
expressions
feedback a
question
expressions of individual vie
individual comments
questions
expressions of
individual views
comments
question
expressions of individual vie
feedback
questions
feedback
questions or comments
expressions of individual views
comments
questions or individual comments
questions
expressions of individual views
expressions and viewpoints
feedback and comments

Contact us

30

Keep up to date



@IFRSFoundation



IFRS Foundation



www.ifrs.org



IFRS Foundation

Comment on our work



go.ifrs.org/comment