

Agenda 28/02/2019

– Confidential, not for distribution –

Date 19-20 March 2019

Location Grange City Hotel
8-14 Coopers Row
London EC3N 2BQ

Tuesday 19 March

Time UK	Agenda number	Agenda item	Objective	Presenters	Location
08:30-09:00		Coffee and registration	Registration and informal interaction	-	The Gallery
09:00-09:15	-	Welcome and Chairman's preview	Meeting overview, key events and trends since the last meeting	Joanna Perry	Auditorium
09:15-10:45	1	Guest Speaker	Global economic trends—protectionism, cooperation, investment and demographics Followed by Panel and Q&A Discussion	Ian McCafferty, CBE	Auditorium
10:45-11:00		Coffee break	Informal interaction		
11:00-11:30	2A	Update on Board activities	Key events and issues since the last meeting—leadership views and highlights of Board activities	Hans Hoogervorst, Nili Shah	Auditorium
11:30-12:00	2B	Update on Board activities	Feedback on the Advisory Council's advice	Nili Shah	Auditorium
12:00-13:00		Buffet lunch	Lunch and informal interaction		Forum Restaurant
13:00-13:15	3	Disclosure of sensitive information	Tee up on disclosure of sensitive information	Dehao Fang	Auditorium

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13:15-14:30	3	Breakout on disclosure of sensitive information	To discuss the balance between transparency in financial reporting and concerns about disclosure of sensitive information	-	Breakout rooms
14.30-15:00	4	Summary findings of the self-review	Summary findings of the self-review of the Advisory Council	April Pitman	Auditorium

End of public meeting

15:00-15:15		Coffee break	Informal networking		The Gallery
15.15-17.15	9	Administrative session (CLOSED)	Private discussions on the self-review, including breakouts	Joanna Perry	Auditorium/ breakout rooms
18.00-18.30		Drinks reception			Wakefield Suite
18.30-21.00		Dinner			Crown Suite

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Wednesday 20 March 2019

Time UK	Agenda number	Agenda item	Objective	Presenters	Location
08:00-09:00		Investor discussion group	[CLOSED SESSION]	Fred Nieto, Sid Kumar	Bowyer room
09:00-09:15		Coffee break	Informal interaction	-	The Gallery
09:15-10:00	5	Update on Trustees and Foundation activities	Key events and issues since the last meeting—leadership views and highlights of the Trustees’ activities	Erkki Liikanen, Lee White	Auditorium
10:00-10:15	6	Strategic stakeholder relationships	Tee up of discussions about strategic stakeholder relationships	Lee White	Auditorium
10:15-11:30	6	Strategic stakeholder relationships	To discuss strategic stakeholder relationships - who they should be, their purpose, tools to engage	-	Breakout rooms
11:30-11:45		Coffee break	Informal interaction	-	The Gallery
11:45-12:15	3	Feedback on disclosure of sensitive information	To share discussions about the balance between transparency in financial reporting and concerns about disclosure of sensitive information	Panel	Auditorium

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12.15-13.15	7	Review of SMEs	The scope of the <i>IFRS for SMEs Standard</i>	Matt Tilling Nkumbolo Mabaso	Auditorium
13:15-14:15		Buffet lunch	Lunch and informal interaction		Forum Restaurant
14:15-14:45	6	Feedback on strategic stakeholder relationships	To share discussions on the strategic stakeholder relationships - who they should be, their purpose, tools to engage	Panel	Auditorium
14:45-15:00	-	Summing up of meeting	Summary of topics discussed and advice given	Joanna Perry	Auditorium
15:00-15.30			Including summary of discussion re self-review, if required	Joanna Perry	Auditorium
End of public meeting					
15:30-15:45	8	Administration session - inc September agenda and report back on advice (CLOSED)		Joanna Perry	Auditorium

Date **March 2019**

Agenda paper 1

Title **Guest speaker Ian McCafferty CBE**

Biography



IAN McCAFFERTY

Ian McCafferty was a member of the Monetary Policy Committee at the Bank of England from September 2012 until August 2018. Prior to his appointment, he had been Chief Economic Adviser to the CBI since September 2001.

He joined the CBI from BP, where he was Head of Macroeconomics. Previously, he spent ten years in the City, as Chief International Economist for both Natwest Markets and Baring Securities. Earlier in his career, he had worked for the CBI as Head of Economic Trends, following spells at *The Economist* newspaper and the International Chamber of Commerce, in Paris.

He is currently Senior Adviser to Oxford Economics and a Visiting Professor at King's College, London. He has previously been a member of the advisory boards to the UK Innovation Research Centre, run by the University of Cambridge and Imperial College, London, to the Centre for Business Research at the University of Cambridge, and to the International Economics Programme, Royal Institute for International Affairs (Chatham House). He is a Fellow of the Society of Professional Economists.

Ian McCafferty graduated from Durham University, and did his postgraduate work at the University of Amsterdam, culminating in the equivalent of an M.A. He was awarded an honorary doctorate in Economics by the Nottingham Trent University in 2012.

London

March 2019

Agenda ref AP 2A

Hans Hoogervorst

Nili Shah

Activities of the Board: update

1. This paper provides the IFRS Advisory Council (Advisory Council) with a summary of the activities of the International Accounting Standards Board ('Board') since the last Advisory Council meeting in September 2018 through 1 March 2019.
2. Since the September 2018 meeting of the Advisory Council:
 - a) the Board has published two final amendments to IFRS Standards—*Definition of a Business* (amendments to IFRS 3) and *Definition of Material* (amendments to IAS 1 and IAS 8);
 - b) the Board published its Project Summary and Feedback Statement on the Post Implementation Review of IFRS 13 *Fair Value Measurement*.
 - c) the IFRS Foundation published three project summaries on the work by the Board on *Share-based payment—research on sources of accounting complexity*, possible improvements to IFRS 8 *Operating Segments* and discount rates in IFRS Standards.
 - d) the comment period of the Discussion Paper *Financial Instruments with Characteristics of Equity* ended in January 2019; and
 - e) the Board has transferred three projects—*Extractive Activities, Pension Benefits that Depend on Asset Returns*, and *Provisions*—from its research pipeline to its active work plan.
3. The Board currently has one due process document out for comment, *Onerous Contract—Costs of Fulfilling a Contract*. The Exposure Draft is out for comment until 15 April 2019.
4. The Board's current work plan and activities are discussed below.

Highlights since the September 2018 meeting

Primary Financial Statements

5. The Board is developing targeted improvements to the structure and content of the primary financial statements, with a focus on the statement(s) of financial performance.
6. As discussed at the September meeting of the Advisory Council, this project is now on the standard-setting programme and the Board made good progress in the period, reaching a number of tentative decisions. In particular, the Board decided to require entities to present an operating profit subtotal and to describe what should be included in that subtotal. This decision will help improve the comparability of one of the most commonly used performance measures. In addition, the Board reached tentative decisions on how financial entities, such as banks, should present information in the statement of profit or loss and the statement of cash flows.
7. The Board will continue its discussions in 2019 and aims to publish a consultation document at the end of 2019.

Goodwill and Impairment

8. The Board is now exploring whether disclosures requirements could be improved to require information that would enable investors to assess more effectively whether a business combination was a good investment decision and whether the acquired business is performing after the acquisition as was expected at the time of the acquisition. The Board is also exploring possible simplifications to the accounting for goodwill—perhaps including reintroducing amortisation—and possible targeted improvements to the impairment test.
9. In the period, the Board discussed the additional work to be performed on the research project and considered a draft outline of the Discussion Paper. The Board aims to publish the Discussion Paper in the second half of 2019.

Dynamic Risk Management

10. The Board is developing an accounting model for dynamic risk management that would enable investors to better understand a company's dynamic risk management and to evaluate the risk strategies applied. In the second half of 2018 the Board completed the model's recognition and measurement requirements. The final steps are to discuss presentation and disclosure requirements, followed by a demonstration of the model in its entirety.
11. In December the Board discussed some qualifying criteria for the model.
12. The revised work plan includes the publication of the core model in the second half of 2019. The expected date has been delayed because of the need to divert resources to work on the IBOR Reform project.

IBOR Reform and its Effects on Financial Reporting

13. In June 2018, the Board added a project to its research programme to explore the possible effects on financial reporting of interbank offered rate (IBOR) reform, and the resulting possible discontinuation of benchmarks such as LIBOR, EURIBOR and TIBOR, in London, Europe and Tokyo.
14. In December 2018, the Board considered the research findings and moved the project to its standard-setting programme. The Board is first focusing on the more urgent matters that might affect financial reporting before IBOR reform is enacted. These can lead to discontinuation of hedge accounting because the uncertainty arising from IBOR reform means some hedging relationships may no longer satisfy the requirements for hedge accounting in IFRS Standards. Discontinuation of hedge accounting would have a major effect on financial statements.
15. In February 2019, the Board continued its discussions on the issues affecting financial reporting before IBOR reform is enacted. At this meeting, the Board tentatively decided to propose amendments to IFRS 9 *Financial Instruments* and IAS 39 *Financial Instruments: Recognition and Measurement*. The Board expects to publish an Exposure Draft in May 2019.
16. In Phase 2, the Board will focus on those matters that arise once IBOR reform is enacted and more information is available.

Rate-Regulated Activities

17. During the period, the Board continued to develop the accounting model for activities subject to 'defined rate regulation'. Currently entities use different accounting models to report the effects of rate regulation. Hence, the Board aims to develop an accounting model so that investors can understand and compare the effects of defined rate regulation on entities.
18. In the period, the Board continued its discussion on presentation and disclosure requirements, tentatively deciding on the disclosure objectives for the model and related disclosure requirements. It also discussed the discount rate to be used when measuring regulatory assets and regulatory liabilities.
19. The Board aims to publish a consultation document in the second half of 2019.

Management Commentary

20. Work has continued on the project to revise and update IFRS Practice Statement 1 *Management Commentary*. In the period, the Board discussed the feedback received at the first meeting of the Management Commentary Consultative Group and discussed the objective of management commentary.
21. The Consultative Group had its second meeting in January 2019. The discussion focussed on reporting the entity's performance, position and progress in the management commentary. The third Consultative Group meeting will be held in

April 2019 and will cover reporting the business model, strategy and operating environment. Following that meeting, the Board will continue its deliberations on the project. The Board expects to issue a Discussion Paper in the first half of 2020.

Disclosure Initiative: Targeted Standards-level Review of Disclosures

22. The objective of the Targeted Standards-level Review of Disclosures project is to:
 - (a) develop guidance for the Board itself to use when developing and drafting disclosure requirements; and
 - (b) test that guidance by applying it to the disclosure requirements in IAS 19 *Employee Benefits* and IFRS 13 *Fair Value Measurement*.
23. In September 2018, the Board approved the draft guidance and asked the staff to move on to testing. The first phase of that testing has involved discussing the disclosure requirements of IAS 19 and IFRS 13 with users of financial statements. Discussions explored what information is most critical to users, and *why* that information is useful.
24. During March and April 2019, Board Members and staff will discuss the findings from outreach with users of financial statements with other types of stakeholder. This will include discussions with the Board's Global Preparers Forum and the Accounting Standards Advisory Forum. Following those meetings, the Board will discuss possible amendments to the disclosure requirements of IAS 19 and IFRS 13.

Supporting implementation

25. The Board and the IFRS Interpretations Committee (the Committee) have continued to support the implementation of major IFRS Standards.

IFRS 17 *Insurance Contracts*

26. Since the Board issued IFRS 17 *Insurance Contracts*, it has been undertaking a comprehensive programme of stakeholder engagement, including holding three meetings of the Transition Resource Group. Through this process, the Board has identified some concerns and implementation challenges, including those related to the balance of costs and benefits from applying IFRS 17.
27. Throughout the development of IFRS 17, the Board was aware that applying the Standard for the first time would result in significant costs for some entities, but overall considered that the benefits of the Standard would outweigh the costs. Nonetheless, the Board indicated that it would consider whether additional action was needed to address matters identified as entities began their implementation efforts.
28. In October 2018, the Board considered the concerns and implementation challenges identified during entities' implementation of IFRS 17, and commenced

a process of evaluating the need for making possible amendments to the Standard. The Board is aware that making amendments to a recently issued Standard carries a risk of disruption to implementation processes that are already underway. Accordingly, the Board tentatively decided that any proposed amendment must meet the following criteria:

- a. the amendment would not result in significant loss of useful information relative to that which would otherwise be provided by IFRS 17 for users of financial statements,
 - b. the amendment would not disrupt implementation already under way or risk undue delays in the effective date of this much-needed Standard.
29. The Board has discussed most of the topics it initially considered at the October 2018 meeting during its meetings between November 2018 and February 2019. The Board expects to discuss the remaining topics at the March 2019 meeting.
30. The Board has also tentatively decided to propose a one-year deferral of the effective date of IFRS 17 from 1 January 2021 to 1 January 2022. This acknowledges the uncertainty that arises from the Board's discussions about IFRS 17, while being responsive to comments from stakeholders that implementation should not be unduly disrupted. By making this decision, the Board has provided clear direction, which will help companies with their planning.
31. The Board's proposed amendments—including the proposed change to the effective date—will be exposed for comment. The Board appreciates the need of affected entities to have clarity as soon as practicably possible and expects to publish the Exposure Draft of proposed amendments (including the proposed change to the effective date) around the end of the first half of 2019.
32. The fourth meeting of the TRG will take place in the first week of April 2019.

IFRS Interpretations Committee

33. The IFRS Interpretations Committee ('Committee') held meetings in September and November 2018 and January 2019. Its next meeting will be 5-6 March 2019.
34. It published the following tentative and final agenda decisions during the period. Most of those agenda decisions include material that explains how an entity applies IFRS Standards to the particular question submitted:

IFRS Interpretations Committee’s tentative agenda decisions
Application of the ‘highly probable’ requirement in a cash flow hedging relationship (IFRS 9 and IAS 39 <i>Financial Instruments: Recognition and Measurement</i>)
Liabilities in relation to a joint operator’s interest in joint operations. (IFRS 11 <i>Joint Arrangements</i>)
Sale of output by a joint operator (IFRS 11 <i>Joint Arrangement</i>)
Physical settlement of contracts to buy or sell a non-financial item (IFRS 9 <i>Financial Instruments</i>)
Over time transfer of a constructed good (IAS 23 <i>Borrowing Costs</i>)
Customer’s right to access the supplier’s software hosted on the cloud (IAS 38 <i>Intangible Assets</i>)
Credit enhancement in the measurement of expected credit losses (IFRS 9 <i>Financial Instruments</i>)
Curing of a credit-impaired financial asset (IFRS 9 <i>Financial Instruments</i>)
IFRS Interpretations Committee’s agenda decisions
Classification of a particular type of dual currency bond (IFRS 9 <i>Financial Instruments</i>)
Determination of the exchange rate when there is a long-term lack of exchangeability (IAS 21 <i>The Effects of Changes in Exchange Rates</i>)
Expenditures on a qualifying asset (IAS 23 <i>Borrowing Costs</i>)
Borrowing costs on land (IAS 23 <i>Borrowing Costs</i>)
Deposits relating to taxes other than income tax (IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i>)
Assessment of promised goods or services (IFRS 15 <i>Revenue from Contracts with Customers</i>)
Investment in a subsidiary accounted for at cost: Partial disposal (IAS 27 <i>Separate Financial Statements</i>)
Investment in a subsidiary accounted for at cost: Step acquisition (IAS 27 <i>Separate Financial Statements</i>)

SME education modules

35. The staff have updated and reworked 35 modules designed to support anyone learning about, applying, or reading financial statements prepared using the *IFRS for SMEs* Standard.
36. Each module is based on a section from the *IFRS for SMEs* Standard and includes
 - a. the section’s requirements;
 - b. significant estimates and other judgements;
 - c. comparison with full IFRS Standards; and
 - d. comprehensive examples and activities.

IFRS Taxonomy

37. The European Securities and Market Authority is continuing work on the introduction of a single electronic format for the annual reports of European listed companies from 2020. The single electronic format will include the use of the IFRS Taxonomy. In December 2018, the European Commission published the legislative proposal to implement the single electronic format. The European Parliament and the European Council have the right to express objections to that legislative proposal.
38. The IFRS Foundation published two proposed updates to the annual IFRS Taxonomy 2018. Proposed IFRS Taxonomy Update 1–*Common Practice (IFRS 13 Fair Value Measurement)* was released in September 2018. Proposed IFRS Taxonomy Update 2–*2018 General Improvements* was released in December 2018. These updates are being finalised and will be included in the annual IFRS Taxonomy 2019.
39. An updated version of *Using the IFRS Taxonomy–A preparer’s guide* was published in January 2019. It includes, amongst other changes, a new section describing how entity-specific facts may be communicated in an electronic filing.

The Board’s workplan at 1 March

40. The tables on the following pages include more detailed technical appendices as follows:
 - a) Standard-setting and research projects;
 - b) Maintenance projects;
 - c) Work plan as at 1 March 2019; and
 - d) Research pipeline.

Appendix A—Standard-setting and research projects

Section 1- Summary of research projects

Business Combinations under Common Control

Project objective	To explore whether the Board can develop requirements that would improve the comparability and transparency of accounting for business combinations under common control and help investors to better compare and understand information about such transactions that companies provide in financial statements.
Next due process steps	Publish a DP in H1 2020.

Disclosure Initiative—Principles of Disclosure

Project objective	To explore possible principles of disclosure that could help the Board develop better disclosure requirements and help preparers communicate information more effectively with users of financial statements.
Next steps	Publish a project summary in March 2019.

Dynamic Risk Management

Project objective	To develop proposals for an accounting model that would enable investors to understand a company's dynamic risk management and to evaluate the effectiveness of the risk strategies applied.
Last due process document	DP published in April 2014 with a comment period of 180 days.
Next steps	Develop a core model in H2 2019.

Extractive Activities

Project objective	To assess whether the Board should develop a proposal to introduce accounting requirements for exploration, evaluation, development and production of minerals, and oil and gas.
Next steps	Review research.

Financial Instruments with Characteristics of Equity

Project objective	To investigate improvements to the classification requirements for financial instruments that have characteristics of both liabilities and equity, as well as exploring improvements to presentation and disclosure requirements.
Current due process step	The Board published a DP in June 2018. The DP was open for comment until 7 January 2019. The Board expects to discuss feedback on the DP in March 2019.

Goodwill and impairment

Project objective	To explore possible improvements to disclosures about acquisitions, possible simplifications to the accounting for goodwill and targeted improvements to the impairment test.
Next due process step	Publish a DP in H2 2019.

Pension Benefits that Depend on Asset Returns

Project objective	To assess whether it would be feasible to place a cap on asset returns used in estimates of asset-dependent benefits, without considering other aspects of IAS 19. To avoid an existing anomaly, those returns would not be more than the discount rate.
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Next steps	Review research H2 2019.
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Provisions

Project objective	To assess whether the Board should develop a proposal to amend any aspects of IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> .
Next steps	Review research H2 2019

Section 2 – Summary of standard-setting projects

Management Commentary

Project objective	The Board has decided to revise and update Practice Statement 1 <i>Management Commentary</i> , issued in 2010.
Next due process steps	Publish an ED in H1 2020.

Primary Financial Statements

Project objective	To examine targeted improvements to the structure and content of the primary financial statements, with a focus on the statement(s) of financial performance.
Next due process step	Publish either a DP or an ED in H2 2019.

Rate-regulated Activities

Project objective	To give users of financial statements better information about a company's incremental rights and obligations arising from its rate-regulated activities.
Next due process step	Publish either a DP or an ED in H2 2019.

Appendix B–Maintenance projects

Project	Objective	Status
2019 Comprehensive Review of the IFRS for SMEs Standard	To obtain views on whether, and, if so, when to update the <i>IFRS for SMEs</i> Standard for IFRS Standards and amendments not currently incorporated into that Standard.	Request for Information expected in H2 2019.
Accounting Policies and Accounting Estimates (Amendments to IAS 8)	To clarify the existing distinction between a change in an accounting policy and a change in an accounting estimate.	The Board discussed a summary of comments on the ED at its March 2018 meeting. The topic was discussed by the IFRS IC in September 2018 and by ASAF in October 2018 to receive feedback. The Board expects to decide the project direction in April 2019.
Accounting Policy Changes (Amendments to IAS 8)	To lower the impracticability threshold regarding retrospective application of voluntary changes in accounting policies that result from agenda decisions. The proposed threshold would include a consideration of the benefits and costs of applying the change retrospectively.	ED published in March 2018 with a comment letter deadline of 27 July 2018. Feedback on the ED was discussed in December 2018. In December the Board also decided to confirm its proposal not to amend IAS 8 to specify when entities apply accounting policy changes resulting from IFRS IC Agenda Decisions.
Amendments to IFRS 17 Insurance Contracts	To discuss stakeholders' concerns and implementation challenges raised since IFRS 17 was issued and to consider whether there is a need to amend the Standard, including any revision to effective date.	Exposure Draft expected Q2 2019
Availability of a Refund (Amendments to IFRIC 14)	To clarify the accounting when other parties have rights to make particular decisions about a company's defined benefit plan.	The Board decided to perform further work to assess whether it can establish a more principles-based approach in IFRIC 14 for an entity to assess the availability of a refund of a surplus.
Classification of Liabilities (Amendments to IAS 1)	To clarify whether companies classify debt as current or non-current if they have a right to renew the debt.	Work on this project has recommenced now that the revised <i>Conceptual Framework</i> has been issued. The next stage will be an IFRS amendment.
Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	To narrow the initial recognition exemption in paragraphs 15 and 24 of IAS 12 so that it would not apply to transactions that give	An Exposure Draft is expected in Q2 2019.

(Amendments to IAS 12)	rise to both taxable and deductible temporary differences, to the extent the amount recognised for the temporary differences are the same.	
Disclosure Initiative—Accounting Policies	To develop amendments to IAS 1 <i>Presentation of Financial Statements</i> to require entities to disclose their material rather than their significant accounting policies.	The next stage will be an Exposure Draft.
Disclosure Initiative—Targeted Standards-level Review of Disclosures	To develop guidance for the Board itself to use when developing and drafting disclosure requirements and to test that guidance on IAS 19 <i>Employee Benefits</i> and IFRS 13 <i>Fair Value Measurement</i> .	The next stage will be an Exposure Draft.
IBOR Reform and the Effects on Financial Reporting	The objective of the project is to monitor future developments in IBOR reform and determine whether there are any implications for existing accounting requirements. In December 2018 the Board decided to focus on the matters that might affect financial reporting before IBOR reform is enacted. In February 2019, the Board tentatively decided to propose amendments to IFRS 9 and IFRS 39.	Exposure Draft expected Q2 2019.
Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)	To clarify the meaning of unavoidable costs in the IAS 37 definition of an onerous contract.	An Exposure Draft was published in December 2018 for comment by 15 April 2019. Feedback on the ED is expected to be discussed by the Board in Q2 2019.
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	To reduce the diversity in how companies account for the proceeds from selling items produced while testing an item of plant or equipment before it is used for its intended purpose.	The Board discussed a summary of the feedback on the Exposure Draft in December 2017. The Board considered some modification to its proposals in November 2018. The next stage is an IFRS amendment.
Updating a Reference to the Conceptual Framework (Amendments to IFRS 3)	To update a reference to the <i>Conceptual Framework</i> in IFRS 3 <i>Business Combinations</i> in a way that avoids conflict with other IFRS standards.	An Exposure Draft is expected in Q2 2019
Fees in the ‘10 percent’ test for derecognition (Amendments to IFRS 9)	To clarify which fees and costs a company includes in a quantitative ‘10 percent’ test for assessing whether to derecognise a financial liability.	These topics will be addressed as part of the 2019-2021 Annual Improvements process.
Lease Incentives—Amendments to IFRS 16 Illustrative Examples	To amend Illustrative Example 13 accompanying IFRS 16 <i>Leases</i> as part of the next annual improvements to IFRS Standards. The proposed amendment would remove from the example the illustration of the reimbursement of leasehold improvements by the lessor.	An Exposure Draft is expected in Q2 2019.
Subsidiary as a First-time Adopter	To require a subsidiary—that measures its assets and liabilities at its date of transition	

(Proposed amendments to IFRS 1)	to IFRS Standards using the amounts reported by its parent—to also measure cumulative translation differences using the amounts reported by its parent.	
Taxation in Fair Value Measurements (IAS 41)	To remove the requirement in IAS 41 to exclude cash flows from taxation when measuring the fair value of biological assets using a present value technique.	

Appendix C—Work plan as at 1 March 2019

Description	Next due process step	1 March 2019
Research projects		
Business Combinations under Common Control	Discussion Paper	H1 2020
Disclosure Initiative—Principles of Disclosure	Project summary	March 2019
Dynamic Risk Management	Core model	H2 2019
Extractive Activities	Review research	No date
Financial Instruments with Characteristics of Equity	DP feedback	March 2019
Goodwill and Impairment	Discussion Paper	H2 2019
Pension Benefits that Depend on Asset Returns	Review research	H2 2019
Provisions	Review research	H2 2019
Standard-setting and related projects		
Management Commentary	Exposure Draft	H1 2020
Primary Financial Statements	Discussion Paper or Exposure Draft	H2 2019
Rate-regulated Activities	Discussion Paper or Exposure Draft	H2 2019
Maintenance projects		
2019 Comprehensive Review of the <i>IFRS for SMEs Standard</i>	Request for Information	H2 2019
Accounting Policies and Accounting Estimates (Amendments to IAS 8)	Determine project direction	April 2019
Accounting Policy Changes (Amendments to IAS 8)	Determine Project Direction	No date
Amendments to IFRS 17 <i>Insurance Contracts</i>	Exposure Draft	Q2 2019
Availability of a Refund (Amendments to IFRIC 14)	IFRS Amendment	No date
Classification of Liabilities (Amendments to IAS 1)	IFRS Amendment	No date
Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)	Exposure Draft	Q2 2019
Disclosure Initiative—Accounting Policies	Exposure Draft	No date
Disclosure Initiative—Targeted Standards-level Review of Disclosures	Exposure Draft	No date
IBOR Reform and the Effects on Financial Reporting	Exposure Draft	May 2019
Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)	Exposure Draft	Q2 2019
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	IFRS Amendment	No date
Updating a Reference to the Conceptual Framework (Amendments to IFRS3)	Exposure Draft	Q2 2019
Annual Improvements	Exposure Draft	Q2 2019

Appendix D—Research pipeline

In 2016, the Board set up a pipeline of research projects, following the 2015 Agenda Consultation. Projects in the pipeline are not yet on the active work plan.

The Board research pipeline originally included eight projects of which three had become active by the date of this report. The Board consciously limited the size of the research pipeline so that it contains only those research projects on which it thought it could realistically expect to do a significant amount of the research before the next agenda consultation (expected to be completed in 2021).

The staff and the Board continue to monitor progress on the standard-setting work plan, the research programme and maintenance projects in assessing when to move pipeline projects to the active research programme and in what sequence.

The research pipeline is not fixed through to 2021. The Board is free to add projects to the research pipeline if and when it sees fit.

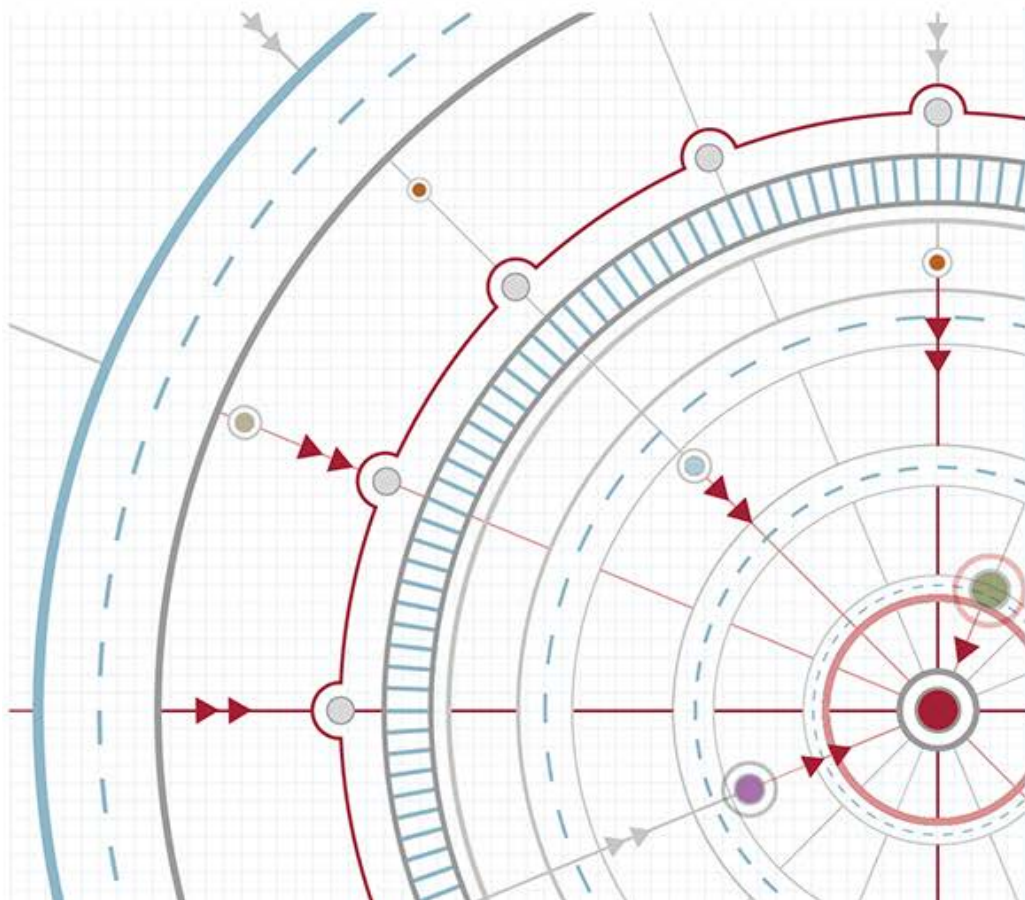
Agenda Paper 8 *Research Programme—Research Update* for the December 2018 Board meeting is available on our website: <https://www.ifrs.org/-/media/feature/meetings/2018/december/iasb/ap8-research-programme.pdf>

<i>Project</i>	<i>Objective</i>
Equity Method	To assess whether practice problems that arise using the equity method (for investments in associates and joint ventures) could be addressed by amending the equity method or whether a more fundamental review is needed.
High Inflation—the scope of IAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	To assess whether it would be feasible to extend the scope of IAS 29 <i>Financial Reporting in Hyperinflationary Economies</i> to cover economies subject to only high inflation, without amending other requirements of IAS 29.
Pollutant Pricing Mechanisms	To assess whether the Board should develop a proposal to address any diversity that may exist in accounting for pollutant pricing mechanisms (including emissions trading schemes).
SMEs that are subsidiaries—disclosures	To assess whether it would be feasible to permit SMEs that are subsidiaries to use the recognition and measurement requirements in IFRS Standards with the disclosure requirements in the <i>IFRS for SMEs[®] Standard</i> .
Variable and Contingent Consideration	To assess whether the Board should develop a proposal on how to account for variable and contingent payments for asset purchases outside a business combination.

Forthcoming post-implementation reviews

IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosure of Interests in Other Entities*

IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*



Disclosure of sensitive information

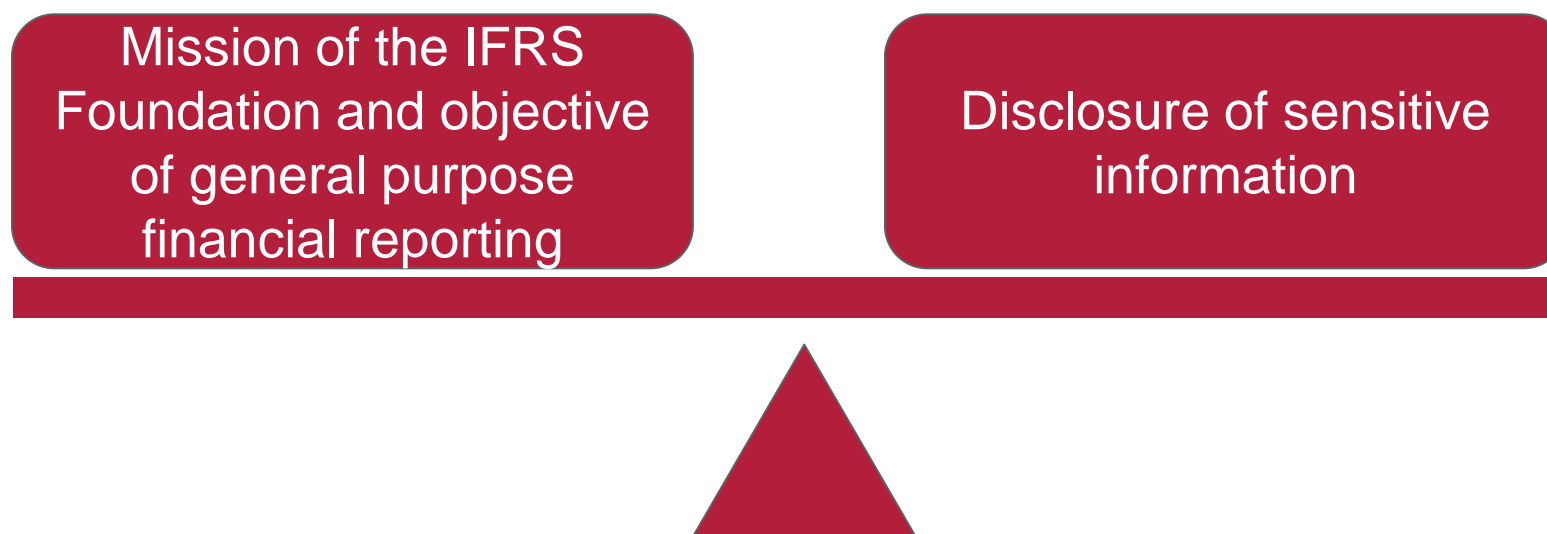
IFRS Foundation Advisory Council

March 2019

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

Objectives of this session

- Discuss the balance between:
 - our focus
 - the IFRS Foundation’s mission to develop IFRS Standards that bring transparency, accountability and efficiency to financial markets around the world
 - the objective of general purpose financial reporting to provide financial information about the reporting entity that is useful to existing and potential investors, lenders and other creditors in making decisions relating to providing resources to the entity; and
 - concerns over disclosure of sensitive information



Why are we seeking advice now?

- Various projects focused on presentation and disclosure currently underway:
 - Goodwill and Impairment
 - Management Commentary
 - Disclosure Initiative
 - Primary Financial Statements
 - Dynamic Risk Management
- Preparers often raise the issue of sensitive information in their feedback. However, this information may be material to investors.
- To assist the Board with future deliberations on these projects
 - no general plan to revisit existing standards
 - no plan to develop a framework for sensitive information

Questions for the Advisory Council

1. In what situations do you think concerns about sensitive information are valid?
2. Given the mission of the IFRS Foundation and the objective of general purpose financial reporting, how should the Board approach concerns about sensitive information?

Outline of discussion

- What do we mean by sensitive information?
- Benefits and challenges of required disclosures of sensitive information
- Types of sensitive information
- Addressing sensitive information
- Questions for the Advisory Council

What do we mean by
sensitive information?

Sensitive information

- Information whose disclosure could result in commercial loss to an entity
- Examples:
 - litigation details (IAS 37)
 - segment information (IFRS 8)
- For purposes of today's discussion, exclude disclosures that risk shareholder litigation (eg estimates and forecasts that differ from subsequently reported actual amounts)



Benefits and challenges of required disclosures of sensitive information

Benefits of required disclosure

- Benefits to capital markets as a whole may include:
 - increased market liquidity
 - more efficient allocation of limited resources
 - comparability across entities
 - the reduction of information asymmetry between management and investors
- Benefits to individual entities may include:
 - lower cost of capital
 - improved investor relations (may broaden shareholder diversity, increase trust in management)
 - strengthened accountability and stewardship
 - cost of disclosing sensitive information offset by mandatory disclosure by competitor

- Unequal effects
 - some information may benefit potential investors more than current investors (and vice versa)
 - challenges may be disproportionate for some entities, as sensitivity of information depends on a number of factors
 - nature of competitive environment (number of competitors, position in market)
 - diversity of stakeholders (suppliers, labour markets, competitors, regulators)
- Poor quality disclosure (overly aggregated, noncompliant or delayed)
 - undermines transparency of financial reporting for investors
 - creates tensions with auditors and regulators
 - creates an uneven playing field when some entities comply and others do not

Challenges of required disclosures

- Unintended consequence that entities may avoid disclosure requirements by delisting, not listing or regulatory shopping
 - reduces investment opportunities
 - reduces options for raising capital
 - impedes efficient allocation of limited resources

The need for balance

Benefits to the market as a whole may outweigh the costs to individual entities – but only if all entities are subject to the same requirements

Types of sensitive information

Negotiating position

Relevant disclosure	Perceived effect	Observations
Impairment loss on asset, disposal groups and non-current asset held for sale	<ul style="list-style-type: none">• Potential buyers may push for lower price based on updated carrying value of asset	<ul style="list-style-type: none">• Carrying amount may not necessarily affect asset disposal price• Intended purpose affects measurement of asset
Information on revenue contribution by major customer	<ul style="list-style-type: none">• Key customers, knowing their importance to the entity, may have the upper hand in negotiation• Information may be used by competitors	<ul style="list-style-type: none">• Relative negotiating power may be known to contracting parties• Customers may be able to work out their importance from their internal data
Segment profit margin	<ul style="list-style-type: none">• May be used as basis for customers to demand lower price or suppliers to demand higher price. Undermine negotiating position.	<ul style="list-style-type: none">• Customer/supplier decision may be driven by value of product, not profit that the entity makes from the transaction• Pressure on profit may harm investors

Relevant disclosure	Perceived effect	Observations
Description of capitalised intangible asset	<ul style="list-style-type: none">Reveals details of R&D, prompting competitors to step in	<ul style="list-style-type: none">Peers may already be aware of competitive landscape in industryEntities may already publicise successful projects to attract investors
Information on revenue contribution by major customer	<ul style="list-style-type: none">Facilitate competitors targeting key customersReveal concentration of sales, facilitate competitive behavior	<ul style="list-style-type: none">IFRS Standards do not require the disclosure of customer identityCompetitors may already be aware of industry landscape
Strategic rationale and key objectives of acquisition	<ul style="list-style-type: none">Premature disclosure allows competitors to take counter-measuresDisclosure of restructuring plan lowers employee morale	<ul style="list-style-type: none">Stakeholders may already be aware of entity's plan beforehand, but disclosure may confirm the fact

Relevant disclosure	Perceived effect	Observations
Disclosures of items subject to confidentiality required by agreement or statute	<ul style="list-style-type: none">• Result in legal disputes for breach of agreement / legal requirements	<ul style="list-style-type: none">• Market players may already be aware of material contracts• Disclosures can be made without identifying counterparty• Contractual agreement with third party should not override regulatory requirement
Details of defence contracts subject to restrictions	<ul style="list-style-type: none">• Potential prosecution for disclosing official secrets• Facilitate competitive behaviour by industry peers	<ul style="list-style-type: none">• Bidding process and outcome strictly controlled and widely reported in many jurisdictions• Disclosure of detailed specification of products and government intellectual property rights not necessary

Relevant disclosure	Perceived effect	Observations
Uncertainty relating to going concern	<ul style="list-style-type: none">• Cause further negative impact to entity's financial position• Effects of "self-fulfilling prophecy"	<ul style="list-style-type: none">• Disclosure of fundamental importance to financial reporting• Market may already be aware of issue• Fear of uncertainty increases volatility• Transparent disclosure can reduce market over-reaction
Disclosure of provision for litigation	<ul style="list-style-type: none">• May prejudice entity's position in legal dispute	<ul style="list-style-type: none">• Users need to know the degree of measurement uncertainty involved• Limited disclosure exemption allowed under IAS 37

Regulatory scrutiny and reputational risks

Relevant disclosure	Perceived effect	Observations
Uncertain tax positions / Sustainability of tax strategy	<ul style="list-style-type: none">• Attract scrutiny from tax authorities• Increased cost of regulatory compliance	<ul style="list-style-type: none">• Regulators may already have access to information regardless of disclosure
Disclosure of information that is reputationally harmful	<ul style="list-style-type: none">• Damage brand image and reputation of entity resulting in adverse financial effects	<ul style="list-style-type: none">• Interest groups are not primary users of financial statements• Stakeholders have diverse views and opinions on what is reputationally damaging• Allowing exemptions opens door to broad non-compliance with IFRS Standards• Information may be fundamental for investors' valuations

Overall observations

- Examples of sensitive information generally:
 - are entity and fact-specific;
 - lack a common characteristic for principle-based standard-setting; and
 - are hypothetical and difficult to prove
- Mandatory disclosure partly offsets competitive disadvantage because all entities would be required to provide disclosure, while bringing market-wide benefits.
- Any disclosure exemption may:
 - be subject to abuse
 - increase investors' burden to obtain information
 - undermine confidence in the information that is available

Overall observations (cont'd)

- Some stakeholders may get information through other means
 - resulting in reduced sensitivity of disclosure
 - trend towards digital reporting, analysis of alternative data, and advances in computing power, eg Big Data
 - regulators and major investors have direct access to entity for some information
 - but disclosure needed in general purpose financial reports so investors have equal access to information

Addressing sensitive information

Possible standard-setting approaches to address the issue–1

- No accommodation for sensitivity concerns approach
 - avoids providing basis for broad non-compliance with IFRS Standards
 - Standards should not be seen as tools to facilitate avoidance of stakeholder and regulatory scrutiny
 - sensitivity may be mitigated as stakeholders may have sources of information other than financial statements

Example from IFRS 8, *Operating Segments*

Lack of a competitive harm exemption

- BC43 The Board discussed whether entities should be exempt from aspects of the IFRS if disclosure could cause competitive damage or erosion of shareholder value. The Board considered an alternative approach whereby entities could be required to provide reasons for non-disclosure on a ‘comply or explain’ basis.
- BC44 The Board concluded that a ‘competitive harm’ exemption would be inappropriate because it would provide a means for broad non-compliance with the IFRS. The Board noted that entities would be unlikely to suffer competitive harm from the required disclosures since most competitors have sources of detailed information about an entity other than its financial statements.
- BC45 Respondents also commented that the requirements of the IFRS would place small listed companies at a disadvantage to non-listed companies, which are outside the scope of the IFRS. The Board noted that the relative advantage/disadvantage of an entity being publicly listed is not a matter for the Board to consider.

Possible standard-setting approaches to address the issue–2

- 'Comply or explain' approach
 - creates incentive for disclosing required information
 - allows for exemption where entity determines that costs exceeds benefits
 - effectiveness depends on market and regulatory environments

Example from IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*

92 In extremely rare cases, disclosure of some or all of the information required by paragraphs 84–89 can be expected to prejudice seriously the position of the entity in a dispute with other parties on the subject matter of the provision, contingent liability or contingent asset. In such cases, an entity need not disclose the information, but shall disclose the general nature of the dispute, together with the fact that, and reason why, the information has not been disclosed.

Possible standard-setting approaches to address the issue–2a

- ‘Comply or explain’ approach with constraints
 - similar to ‘comply or explain’ model, but
 - temporary disclosure exemption if information is truly sensitive and costly
 - require disclosure when potential cost of disclosure reduces
 - need to satisfy indicators / criteria about ‘sensitive information’ specified by the Standard
 - audit committee / board of directors could be required to take explicit responsibility for non-disclosure
 - provide auditors / regulators basis for enforcement to avoid abuse
 - indicators / criteria difficult to articulate because of fact-specific sensitivities

Possible standard-setting approaches to address the issue–2a(cont'd)

Example from Management Commentary project (to be discussed at April Management Commentary Consultative Group meeting – subject to change)

Disclosures that would be seriously prejudicial to the interests of the entity

The information users require from the management commentary will ordinarily be at a higher level than is useful to the entity's competitors. However, there may be occasions when the entity considers that the disclosure of detailed information about impending developments or matters in the course of negotiation would be seriously prejudicial to the interests of the entity. In such cases, the entity:

- a) Provides summarised information at the most detailed level that is not seriously prejudicial to address the matter
- b) Considers whether other disclosures in the management commentary may be misleading in the context of the excluded information and adapts the content and tone of the management commentary accordingly.
- c) Describes the process undertaken to determine that it was appropriate to exclude material information from the management commentary.

The derogation from the general requirement to disclose material information in the management commentary is applicable only where permitted by the entity's legal and regulatory environment, and is limited to those situations where disclosure would negatively impact impending developments or ongoing negotiations which are not in the public domain, for instance where the entity is in talks to acquire another entity.

Possible standard-setting approaches to address the issue–3

- Tailored disclosure requirements to reflect concerns. For example:
 - Seek to provide relevant information indirectly via inference where possible
 - Compromise between needs of users and preparers

Example from IFRS 7, *Financial Instruments: Disclosures*

BC35W Most respondents disagreed with the Board's proposal to require entities to disclose information on the risk exposure and the hedged rate. They commented that this would result in the disclosure of commercially sensitive information (ie the risk exposure and the hedged rate). They believed that those who do not elect to apply hedge accounting would potentially have an unfair advantage because although they do not have to disclose anything, they could nonetheless gain insight into their competitor's hedge positions. Commercial sensitivity was also of concern to those entities whose competitors are not listed companies or who do not report under IFRSs.

BC35X The Board noted that the proposal in the 2010 Hedge Accounting Exposure Draft focused on the hedged risk (ie the hedged item). Consequently, it would result in disclosures about forward looking information and the rates at which future transactions are hedged. The Board acknowledged that this would potentially provide competitors with insight into an entity's costing structure. Consequently, the Board decided not to require information to be disclosed about the total risk exposure because of the potential forward looking nature of this information. The Board also decided to change the focus of the proposed disclosure from the hedged item to the hedging instrument. In other words, the disclosure would require information on some of the terms and conditions of the hedging instrument to be provided. The Board believes that this information will still be relevant and useful for users of financial statements in inferring the exposure that an entity is exposed to and what the effects will be on future cash flows as a result of how the entity manages the particular risk.

Possible standard-setting approaches to address the issue–4

- Voluntary disclosure approach
 - relies on market to penalise poor disclosure
 - creates a burden for investors to obtain information
 - market may not function effectively in penalizing poor disclosure due to transparency
 - may be subject to abuse

Questions for the Advisory Council

Questions for the Advisory Council

1. In what situations do you think concerns about sensitive information are valid? (See slides 13 - 17)
 - Are there other types of sensitive information?

2. Given the mission of the IFRS Foundation and the objective of general purpose financial reporting (see slide 2), how should the Board approach concerns about sensitive information? (See slides 21 – 26)
 - Are there other possible approaches?

Get involved

Find out more: www.ifrs.org

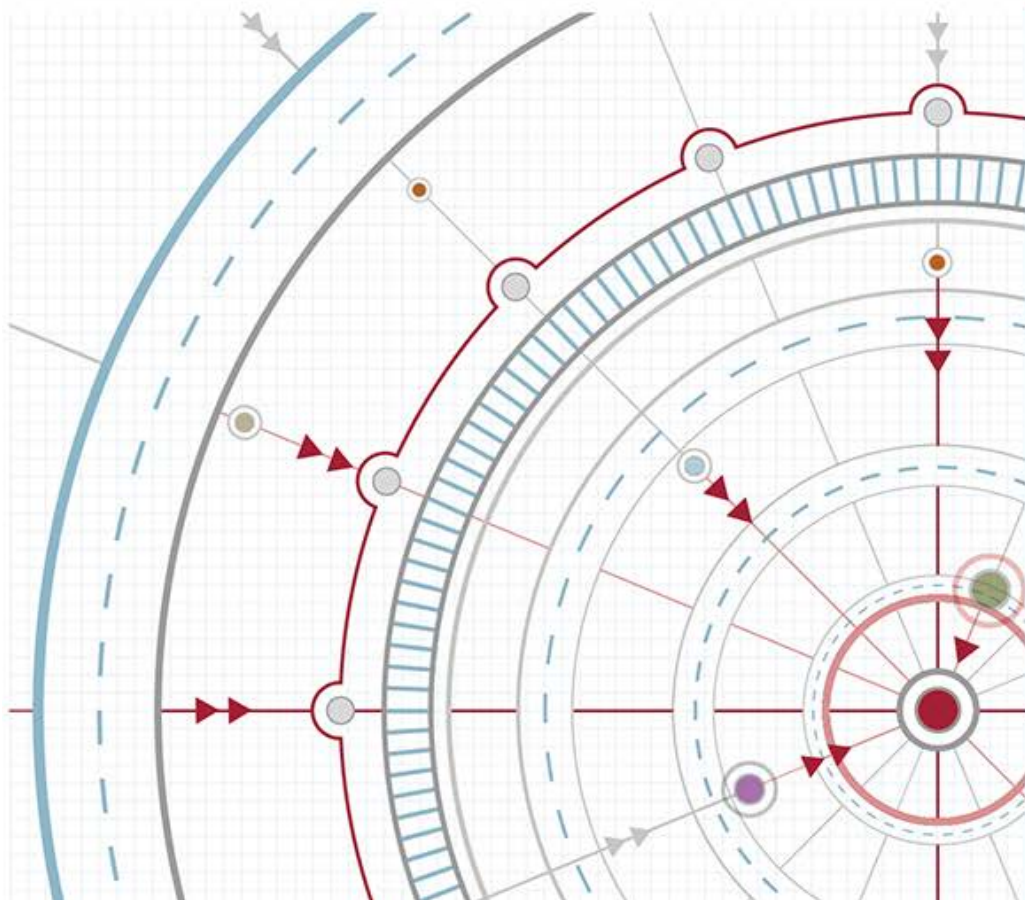
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Summary findings from the self-review of the IFRS Advisory Council

IFRS Advisory Council, March 2019

April Pitman, Technical staff

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

Why carry out a review?

No requirement for a review, but best practice

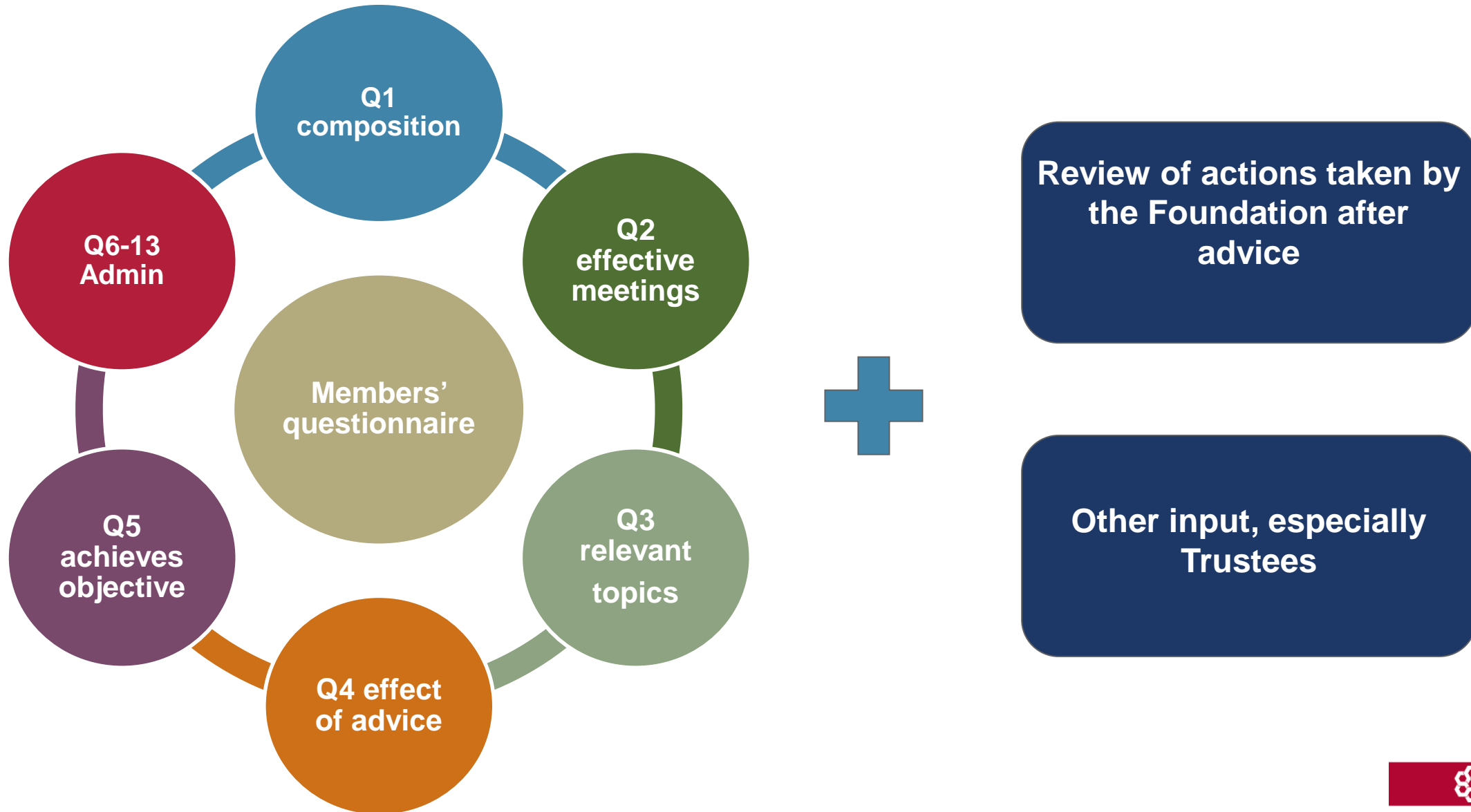
Self-reviews carried out in 2010 and 2013

Continuous, informal reviews

Update its terms of reference

- Public consultation has a cost for both the Foundation and stakeholders
- No concerns expressed; Advisory Council excluded from the Trustees' 2015 Strategy review
- Conclusion: self-review by members of the Advisory Council

Sources of input

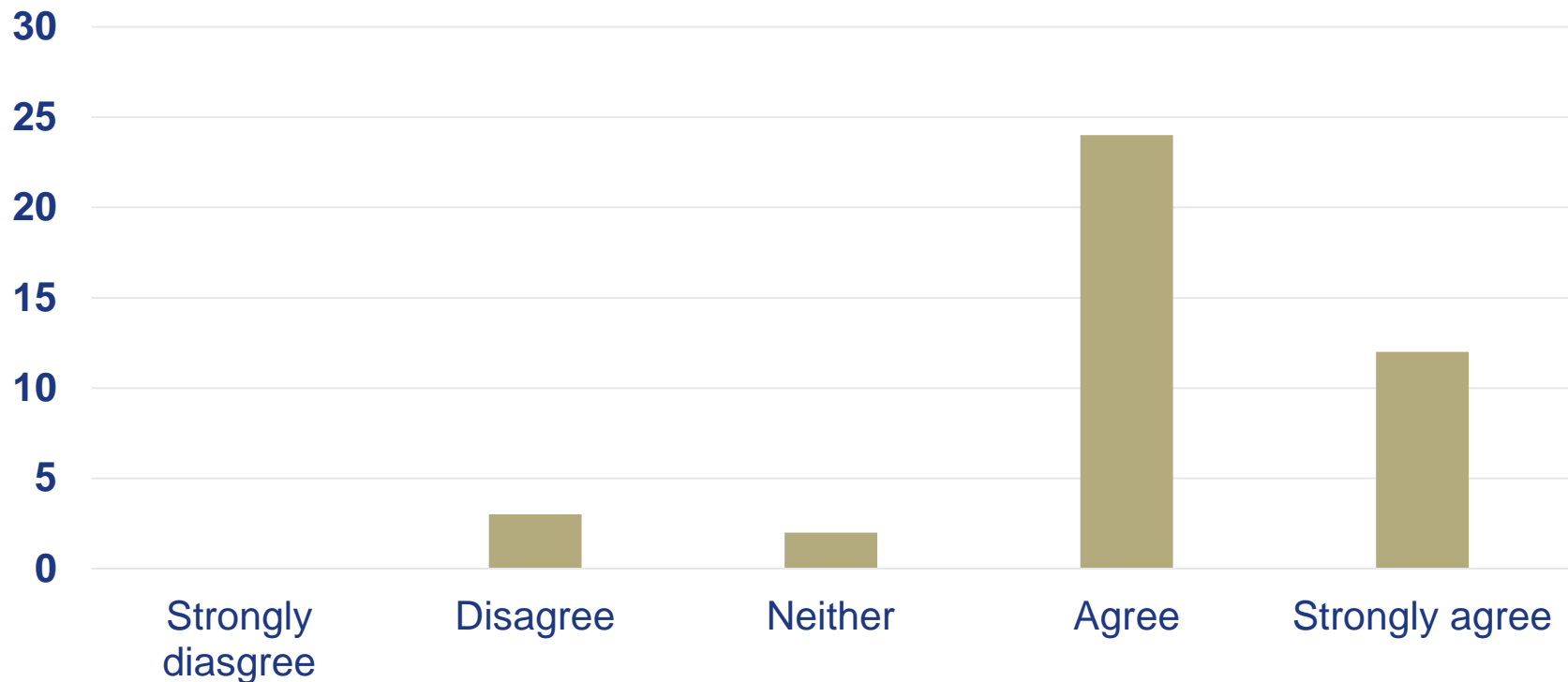


Basis of the questionnaire

- **Completed by Advisory Council members**
- **Contains statements about the effectiveness and activities of the Advisory Council**
- **Participants asked to score their agreement with five statements about the Advisory Council on a scale of 1 to 5**
 - **1 Strongly disagree to 5 strongly agree**
- **Other questions asked about individual member's performance and the administration of meetings**

Q1 Composition of the Advisory Council

I think the Advisory Council is balanced in its composition and its members have the right range of experience to provide strategic advice to the Board and the Trustees.



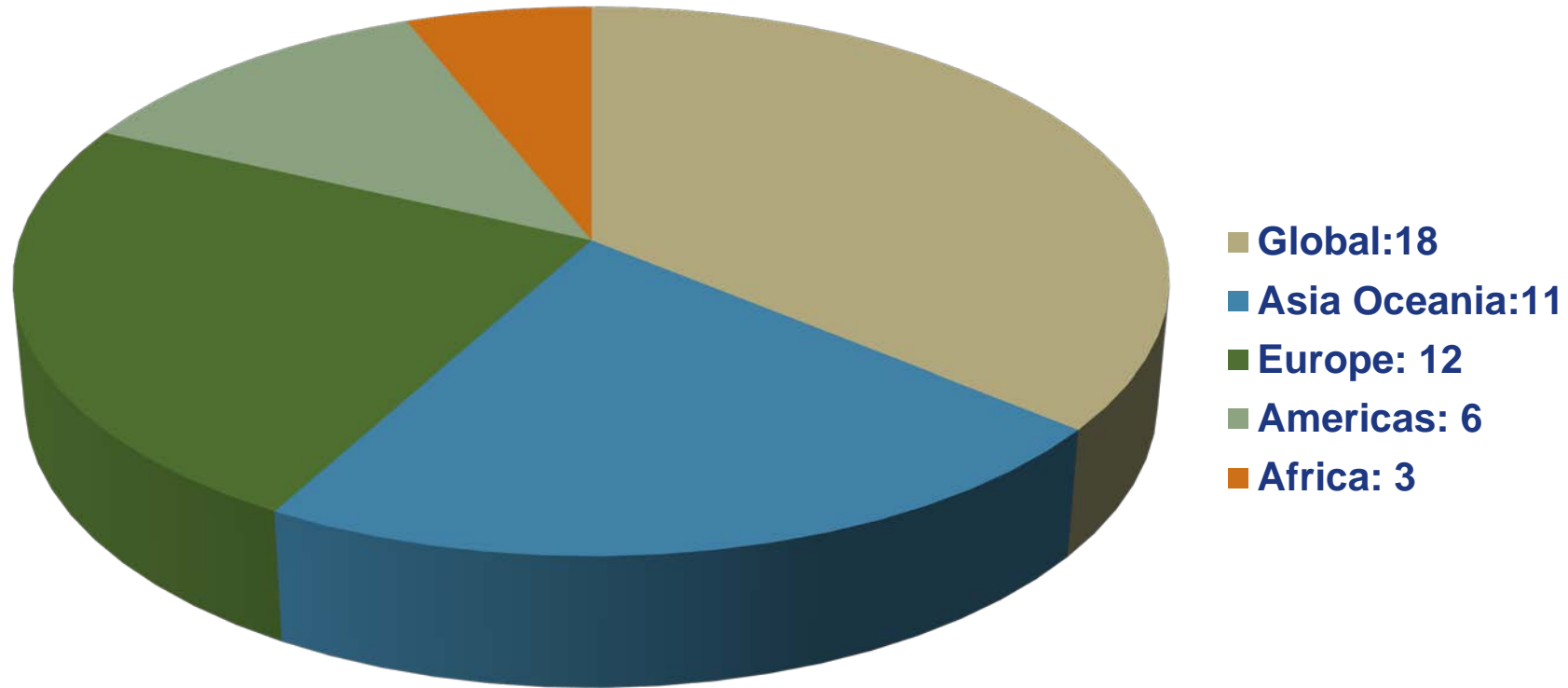
Q1 Composition of the Advisory Council

Statement rated: 4.10 out of 5.00

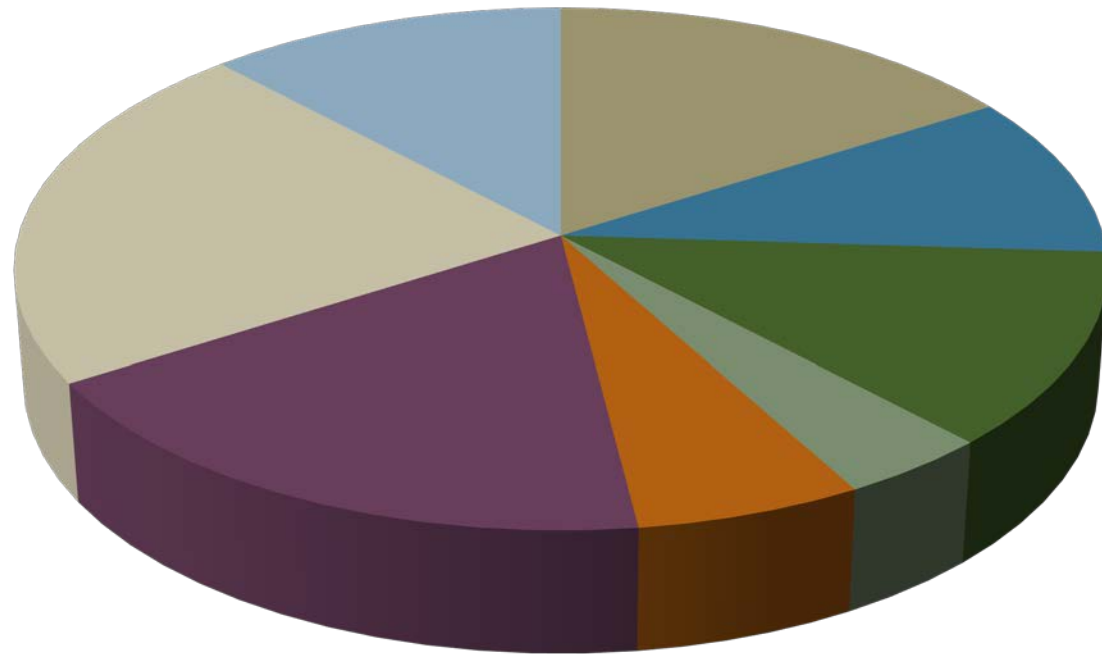
- Diversity in background and geographical distribution important
- Most diverse group of advisors to the Board and the Foundation
- Special skills needed, especially with respect to technology
- Perceived focus on accountancy, finance and economic skills

Composition is monitored closely by the Trustees as part of the annual appointments and reappointments process

Composition 2019—by geography

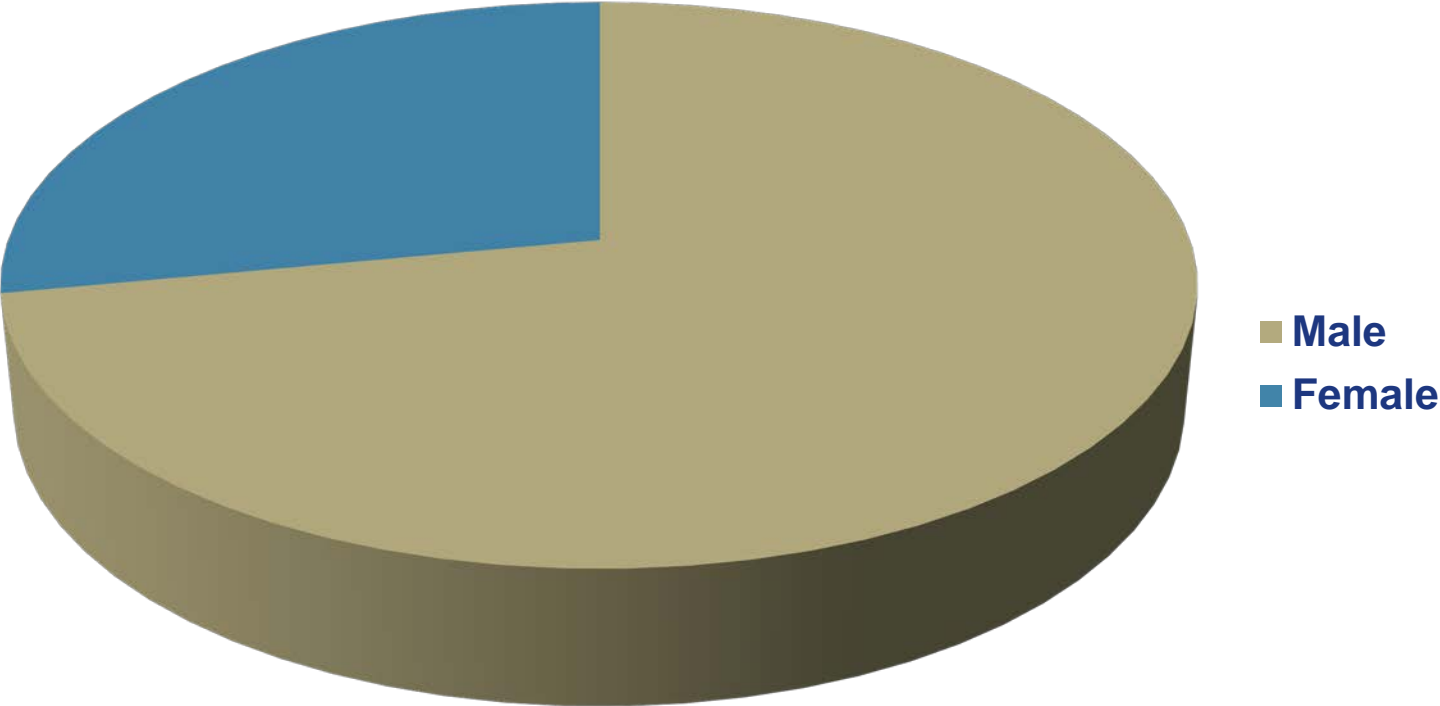


Composition 2019—by function



- Investors: 8
- Standard-setters: 5
- Auditors: 6
- Accountancy bodies: 2
- Academics: 3
- Preparers: 9
- Regulators: 11
- Other: 6

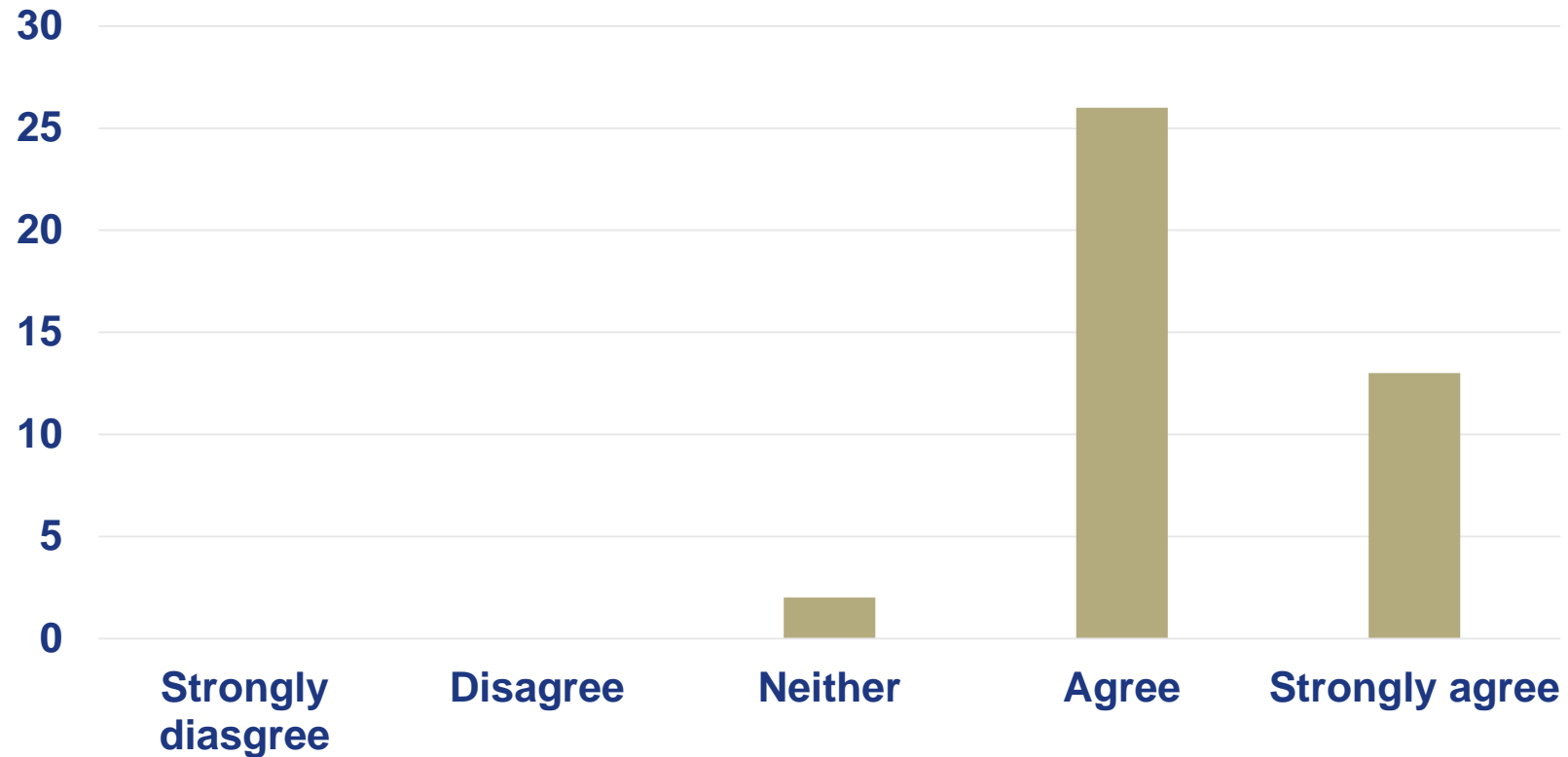
Composition 2019—by gender



Q2 Effective meetings

10

I think that the Advisory Council meetings are run effectively.



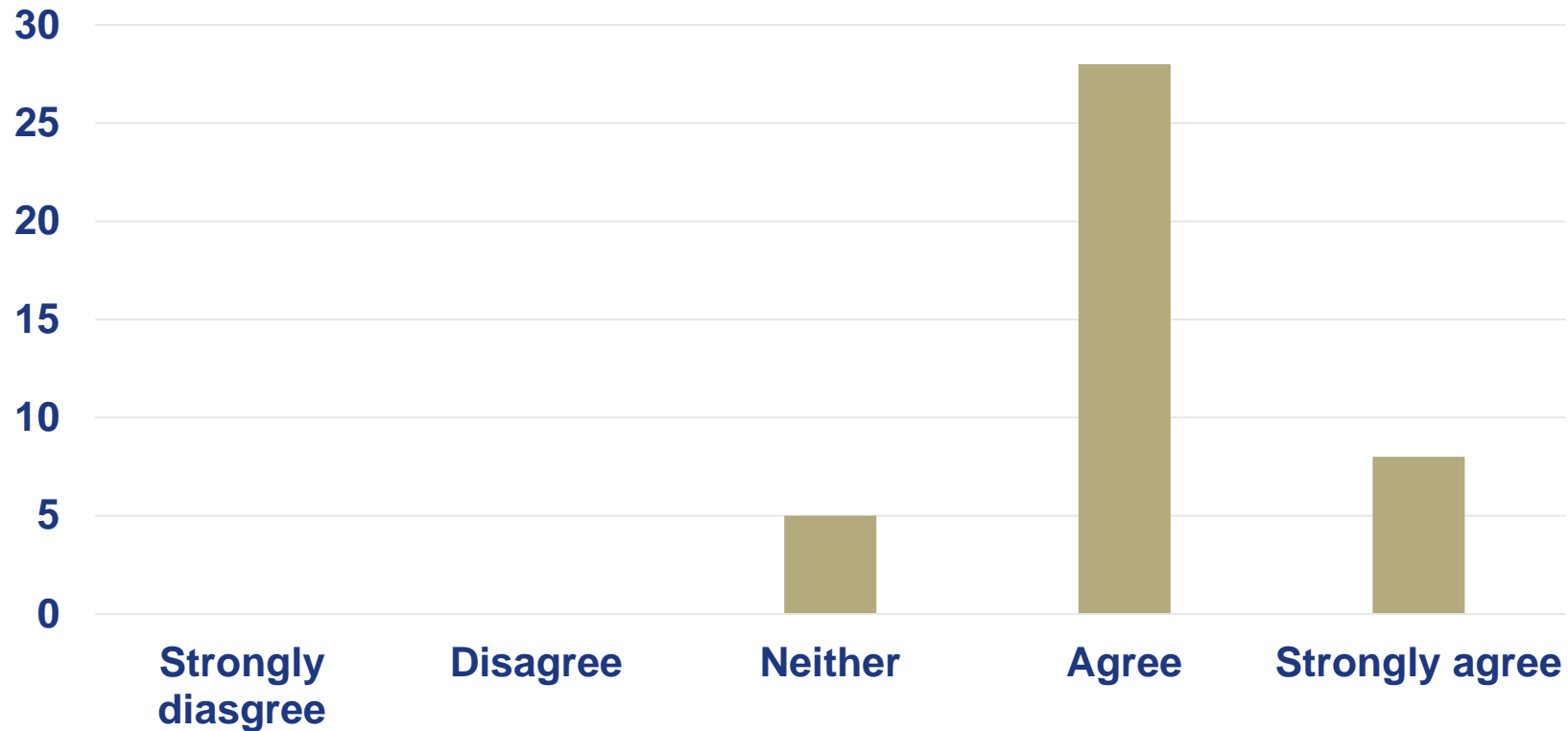
Q2 Effective meetings

Statement rated: 4.27 out of 5.00

- General view is meetings run effectively; chairing is good
- Breakout sessions are a useful format
 - encourages participation by all
 - results in a fuller exchange of information
 - panel sessions good, but need time to digest discussions before feedback
- Move from written papers to slides was beneficial

Q3 Relevant topics

I think the topics discussed at our meetings are relevant and appropriate and focus properly on questions of a strategic, rather than technical, nature.



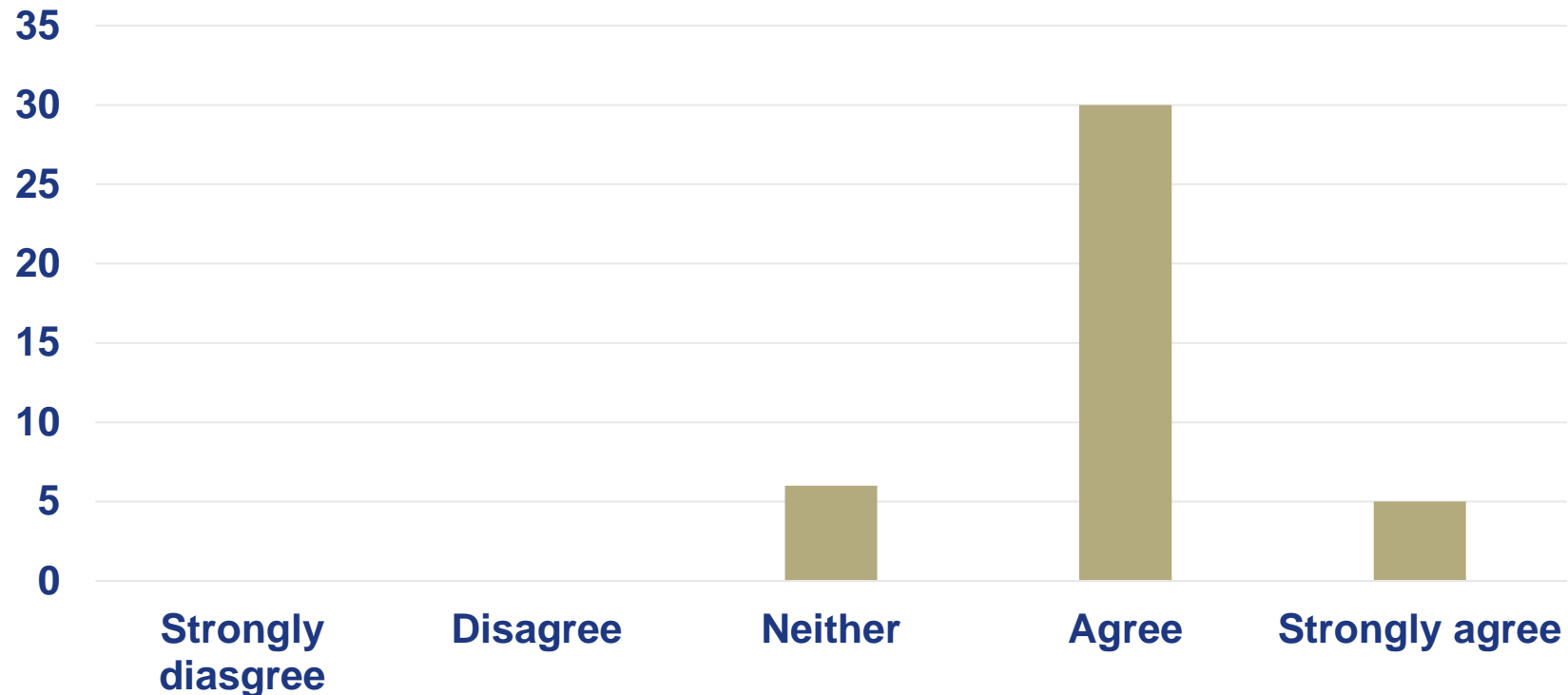
Statement rated: 4.07 out of 5.00

- In recent years, topics have been more strategic
- Members clear about the strategic nature of the role
- Report backs and updates on specific aspects of the Foundation's activities are useful
- Ensure objective of each session is clear and that questions are carefully laid out
- Suggestions for a broader range of topics

Q4 Advice is acted upon

14

I think the advice we give to the IFRS Foundation is acted upon and can be seen to affect the Foundation's thinking and strategy.



Q4 Advice is acted upon

15

Statement rated: 3.98 out of 5.00

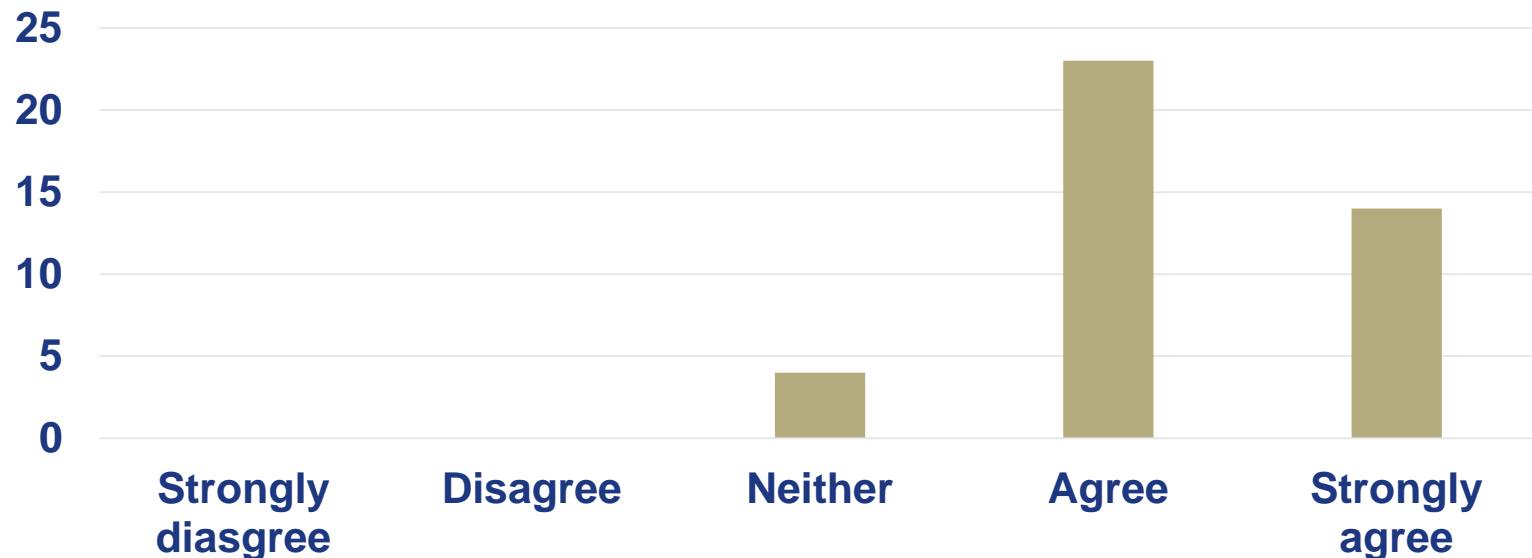
- Minutes are reported promptly to the Trustees and the Board and published on the website
- Each meeting includes an admin feedback session on advice received at the previous meeting
- Suggestion for continuing feedback, with update on progress

This meeting includes a more detailed paper on the effect of recent advice given by the Advisory Council (AP 2A)

Q5 Advisory Council achieves objectives

16

I think the Advisory Council achieves its primary objective of providing a forum in which the Board can consult individuals and representatives of organisations that are committed to the development of high quality IFRS Standards.



Q5 Advisory Council achieves objectives

17

Statement rated: 4.24 out of 5.00

- General agreement that the Advisory Council's role is a strategic one
- Segregation of its role from that of the Accounting Standards Advisory Forum (ASAF) is clear
- Overall view is that the Advisory Council achieves its purpose
- Need to update the terms of reference

Actions taken on advice

Action	Number
Considered by the Board	40
Considered by the Trustees	19
Considered by both Board and Trustees	11
Considered by staff within project teams	1
Staff discussed with individual AC members subsequently	3
No advice given	6
TOTAL	90

- **Generally favourable**
- **The role of the Advisory Council is complementary to that of the Trustees**
- **The Advisory Council is particularly useful to help in modelling strategy for discussion and development by Trustees**
 - **examples such as taxonomy strategy; technical approach**
- **Trustees reinforce the strategic, rather than technical, role**

Terms of reference

- Last updated in June 2014
- Discussed at the admin session of the September 2018 meeting
- Matters arising from the self-review include
 - membership terms
 - strategic, rather than technical, advice
- Revised TOR will be submitted to the Trustees for approval

Length of membership term

- **Currently 3 years, renewable once**
- **Some members thought that members had a stiff learning curve and 4 years would allow greater familiarity**
- **Majority of members thought 3 years appropriate**
 - **allows a genuine contribution, but not too onerous**
 - **6 years in total is reasonable**
 - **achieves a balance between familiarity with process and need for new blood**

Get involved

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IFRS[®] Advisory Council meeting – Agenda Paper 5**Trustees and DPOC Meeting Summary**

March 2019

Trustees of the IFRS[®] Foundation

CONTACT[S] Richard Thorpe rthorpe@ifrs.org

This paper reports on a meeting of the Trustees of the IFRS[®] Foundation, the oversight body of the International Accounting Standards Board (Board). The Trustees are responsible for governance of the IFRS Foundation and for delivery of the IFRS Foundation's objectives as set out in the IFRS Foundation *Constitution*. Consequently, this paper does not reflect the views of the Board or any individual Board member. Board technical decisions are made in public and reported in the IASB *Update*. Comments on the application of IFRS Standards do not purport to set out acceptable or unacceptable application of IFRS Standards.

1. Introduction

The IFRS Foundation (Foundation) Trustees met in Kuala Lumpur for the first time on 30-31 January 2019. The meeting was chaired for the first time by the new Chair, Erkki Liikanen, and three new trustees (Dr Suresh P Kana, Kasuyuki Masu, and Sarah J. Al Suhaimi) all attended their first meeting.

2. Report of the Trustees' executive session**2.1 Report of the Executive Director**

The Trustees received a report from the Executive Director Lee White on activities since the last meeting. This updated Trustees on:

- Engagement with the European Commission since the last Trustees meeting. Trustees noted the keynote speech that Erkki Liikanen had made in November to the European Commission Conference;
- Engagement with the Monitoring Board and Deputies since the last Trustees meeting;
- Continuing improvements to engagement with Trustees and analysis of the monthly dashboard of key performance indicators;
- The results and successful outcome of the first Foundation staff engagement survey, which was conducted in November; and
- Progress on agreements on licensing with the major accounting firms.

Trustees also received an update on the risk to the Foundation of the UK's planned exit from the European Union.

2.2 Strategy review

The Trustees discussed a global environment scan and considered the key strategic themes that now face the Foundation. They focused on the potential impact on financial reporting and digitalisation, and the increasing importance of sustainability reporting. They noted the importance of the Board continuing to support consistent application of IFRS Standards and asked for a briefing on this issue at their June 2019 meeting. They also agreed to explore strategic issues in more depth at that meeting.

Trustees also received a presentation on strategic issues around the IFRS Taxonomy.

2.3 Governance issues

The Trustees reviewed and approved the business case for improvements to the Foundation's business process and technology, and agreed processes for continuing Trustee oversight of the project.

2.4 Operations analysis

The Trustees received presentations on the work plan for the Asia-Oceania Office and on the Foundation's People Strategy.

2.5 Future meetings

Trustees confirmed that their next meetings would be in Munich in June 2019, New York in October 2019, and Brussels in early 2020

2.6 Committee reports

The Trustees received reports from Committees.

- The Audit and Finance Committee reviewed the 2018 flash results and noted that the variances against budget. They held a conference call with the audit partner from Grant Thornton and approved the 2018 audit plan and timetable.
- The Human Capital Committee discussed human resource issues including proposals for the 2019 Foundation staff pay review.
- The Nominating Committee discussed appointments that are in progress.
- The Due Process Oversight Committee met in public and a summary of the meeting is attached. A recording of the meeting is available on the Foundation's website.

3. Report of the IASB Chair

Hans Hoogervorst, the chair of the International Accounting Standards Board (Board) reported on its recent technical activities.

3.1 Technical work overview

- The Board has considered the concerns and challenges identified during entities' implementation of IFRS 17 *Insurance Contracts* and is evaluating the need for making possible amendments to the Standard, taking into account the need to ensure that any amendment neither results in a significant loss of useful information for users of financial statements nor disrupts or delays implementation of this much-needed Standard. The Board has tentatively decided to propose some amendments to the Standard as well as a one-year deferral of the effective date of the Standard to 1 January 2022. Discussions at the Board are continuing, and the Board plans to publish an Exposure Draft in the first half of 2019.
- The Board has moved its project on IBOR (interbank offered rate) reform and its effects on financial reporting from the research to the Standards-level programme. The Board is initially focused on urgent matters that might affect financial reporting before IBOR reform is enacted and will shortly be asked to consider possible narrow-scope amendments to the financial instrument standards.
- The Board is pursuing the objective of simplifying the accounting for goodwill, including consideration of the reintroduction of amortisation, and improved disclosures. The Board aims to publish a Discussion Paper in the second half of 2019.
- The Board has continued its discussions on the Primary Financial Statements project and has reached several tentative decisions including defining the term 'operating profit'. The Board aims to publish a consultation document at the end of 2019.

4. Meetings in Kuala Lumpur

The Trustees met with the members of the Asian-Oceanian Standard Setters Group. They also discussed the work of the IFRS Foundation Advisory Council with its chair Joanna Perry.

They also held a very successful stakeholder dinner which was co-hosted by the Malaysian Accounting Standards Board. This included opening and closing remarks by Tan Sri Azlan Zainol, Chair of the Malaysian Financial Reporting Foundation, and a keynote speech by the Honourable Tuan Lim Guan Eng, Minister of Finance Malaysia.

Report of the IFRS Foundation® Due Process Oversight Committee Meeting

January 2019

This meeting of the DPOC was open to the public, and the recording is available on the IFRS Foundation website. The key issues in the public session were as follows.

1. Update on technical activities

The DPOC received an update on the activities of the International Accounting Standards Board (Board) and the IFRS Interpretations Committee for the period October to December 2018. There were no matters in the report for which the DPOC was required to confirm that due process had been followed.

The DPOC noted that in December the Board had published its Project Summary and Feedback statement on the Post Implementation Review of IFRS 13 *Fair Value Measurement*, and that the DPOC had reviewed the due process undertaken at its meeting in October. The DPOC also received an update on the Board's discussion of possible amendments to IFRS 17 *Insurance Contracts* and were informed of the Board's consideration of a shortened comment period for its proposed amendments and that staff expects to ask the DPOC for approval for this in due course.

2. IBOR Reform

The DPOC received a presentation on the *IBOR Reform and its Effects on Financial Reporting* project. The project is expected to proceed in two phases. In the first phase, the Board is addressing the issues currently arising as a result of the uncertainties created by IBOR reform. In the second phase, it will address the issues arising on transition from IBORs to alternative risk-free rates once more information is available about those rates. The principal area of discussion with the DPOC was the potential for a short comment period for the proposed narrow-scope amendments to IFRS 9 and IAS 39. The DPOC noted the urgency of the issues, and the likelihood that they would be asked to agree a shortened comment period.

3. Review of the Due Process Handbook

The DPOC noted the staff's timetable for the review and the proposed amendments to the *Due Process Handbook (Handbook)* to address the issues agreed at their October 2018 meeting. They noted the staff's proposed timetable, and the intention for the DPOC to approve the revised Handbook package (including the Invitation to Comment) in a public call in March, and for the proposed amendments to the *Handbook* to be exposed for comment in April or May.

The DPOC noted that the proposed amendments to the *Handbook* might not address concerns from some stakeholders that the Board's standard-setting process is insufficiently timely. However, they also noted that the IFRS Advisory Council had been clear in their assessment that the quality of Standards was more important than timeliness, and that stakeholders who wanted greater timeliness did not want the quality and transparency of the Board's due process to be reduced.

(It should also be noted that the processes mandated and addressed in the *Handbook* are not the only or even principal areas on which considerations of

timeliness should be focused. The subject of timeliness is therefore a subject also to be addressed outside of the *Handbook* review.)

The DPOC then received and discussed a series of papers on the key policy areas and agreed the proposals for revisions to the *Handbook*.

(i) Agenda Decisions

The DPOC discussed a proposal that the *Handbook* should be amended to specify explicitly the objective of including explanatory material in an Agenda Decision; the nature of that material; and the principle that an entity should be entitled to sufficient time to determine whether it needs to change an accounting policy as a result of an Agenda Decision and to implement the change.

The DPOC noted that the Board had unanimously agreed at its meeting in December 2018 that the status and role of Agenda Decisions should not be changed and that they did not have the same status as IFRS Standards or constitute standard-setting. They approved the proposed clarifications for the *Handbook* but noted the importance of using wording in the proposed amendments that appropriately reflects the status and importance of Agenda Decisions.

(ii) Effects Analysis

The DPOC discussed proposed amendments to the *Handbook* relating to effects analysis. These built on the DPOC's conclusion at its meeting in October 2018 that the *Handbook* should reflect

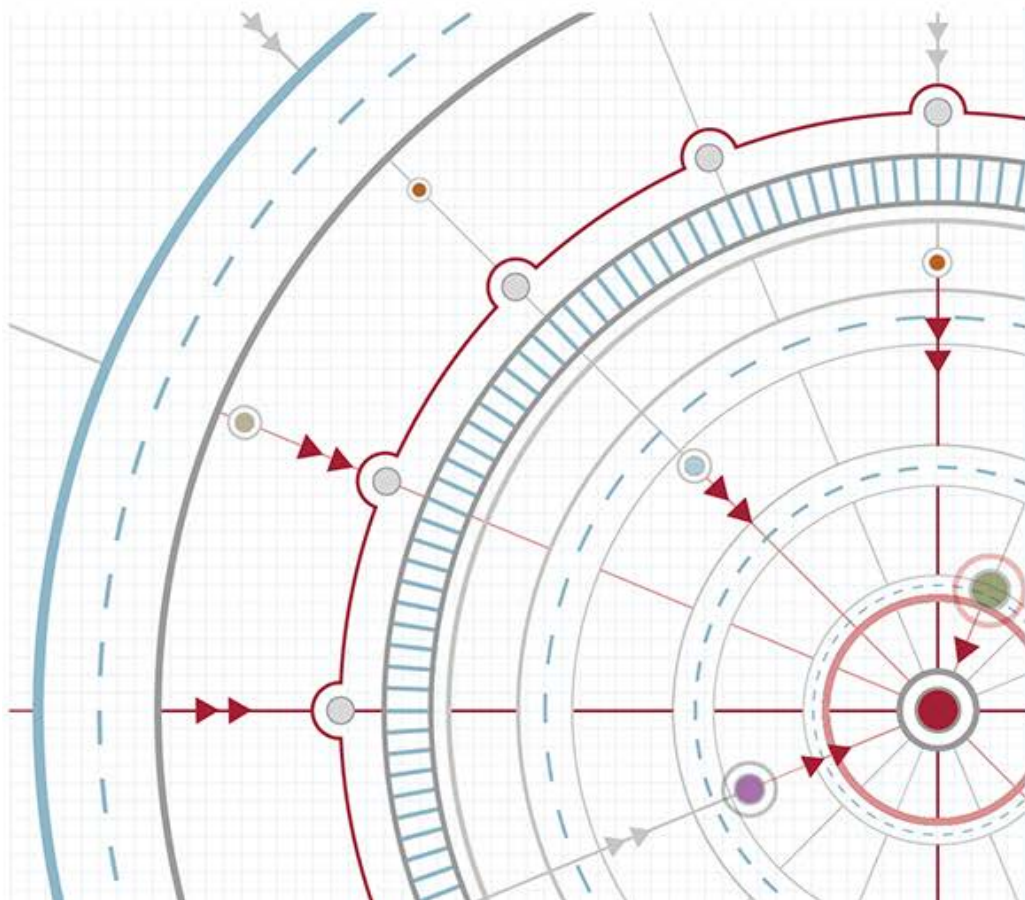
- (a) The recommendations of the Effects Analysis Consultative Group (EACG);
- (b) Feedback from the Advisory Council; and
- (c) Developments to the Board's process on effects analysis

The DPOC noted that the proposed changes in some areas went beyond the EACG recommendations, and that they had regard to the Board's consideration of effects analysis throughout the standard-setting process. They approved the proposed amendments to the *Handbook*.

(iii) Education Material

The DPOC did not discuss this paper.

(It should be noted that following the meeting the DPOC was advised that no correspondence had been received that required their attention.)



Comprehensive Review of the *IFRS for SMEs*® Standard— Scope of the IFRS for SMEs Standard

Advisory Council
March 2019

Matt Tilling
Nkumbulo Mabaso

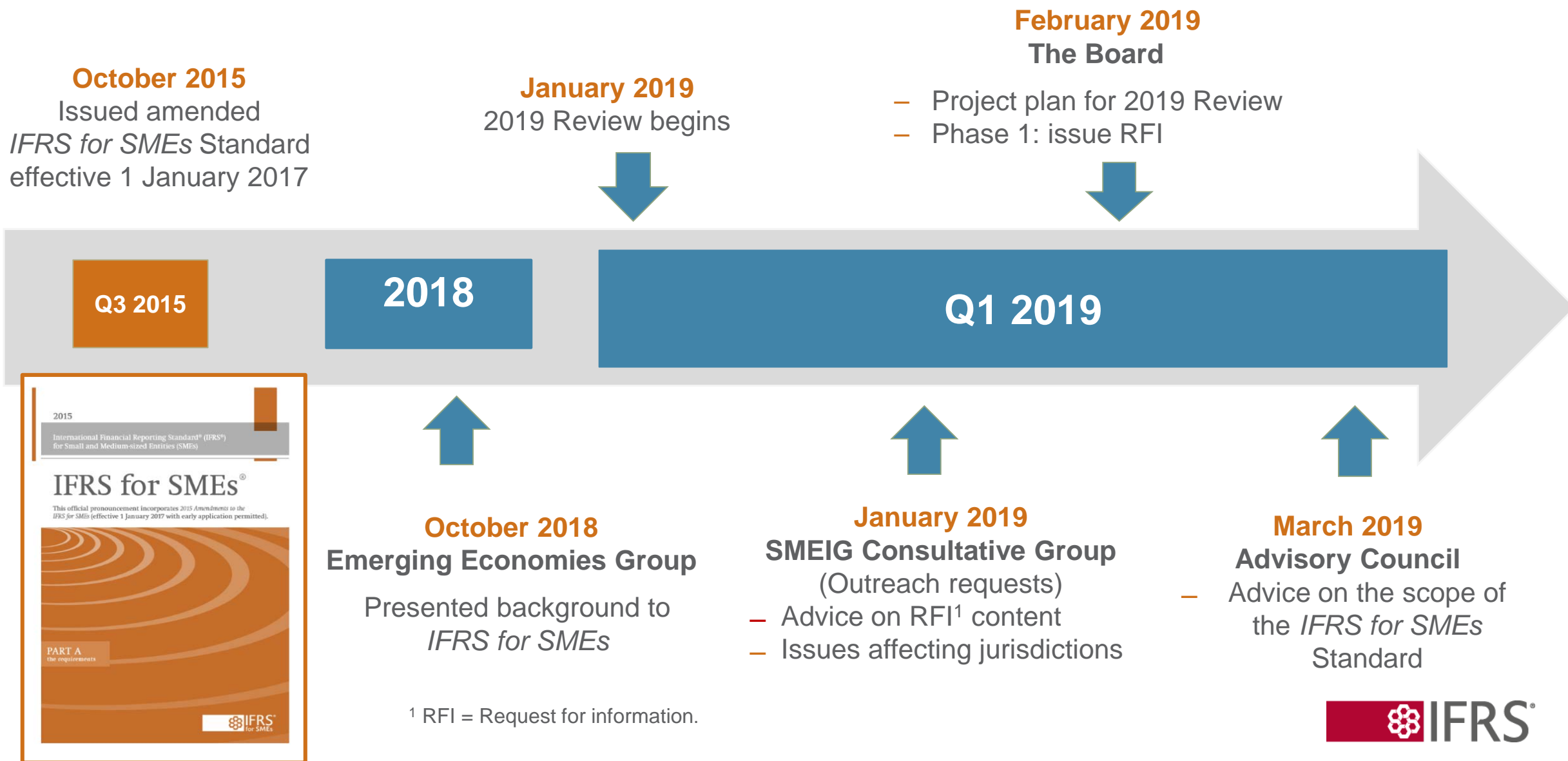
The views expressed in this presentation are those of the presenter, not necessarily those of the International Accounting Standards Board or IFRS Foundation.

- The International Accounting Standards Board (Board) is reviewing the *IFRS for SMEs* Standard (2019 Review).
- The views of Advisory Council members will help us develop recommendations for the Board.

As a part of its 2019 Review:

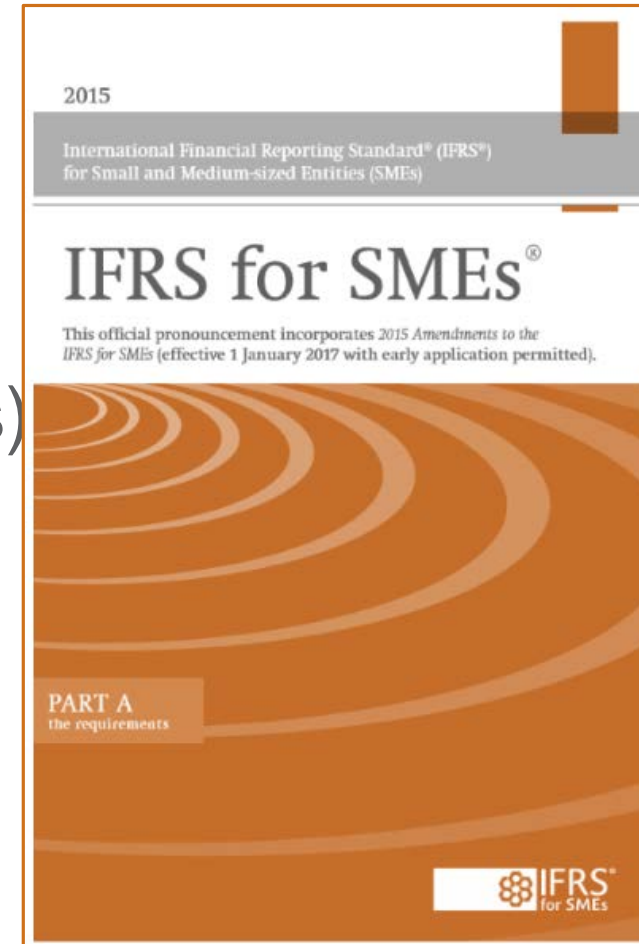
Should the Board extend the scope of the *IFRS for SMEs* Standard to include some publicly accountable entities?

2019 Review—Status



The *IFRS for SMEs* Standard

- 250 pages long
- Based on principles from IFRS Standards
- Tailored for small and medium-sized entities (SMEs) that are not publicly accountable
- Focuses on information needs of lenders and other users of SME financial statements



Why the Board decided to develop the Standard

Is developing a Standard for SMEs consistent with the Board's mission?

Yes: mission includes taking account of 'the needs of a range of sizes and types of entities in diverse economic settings'.¹

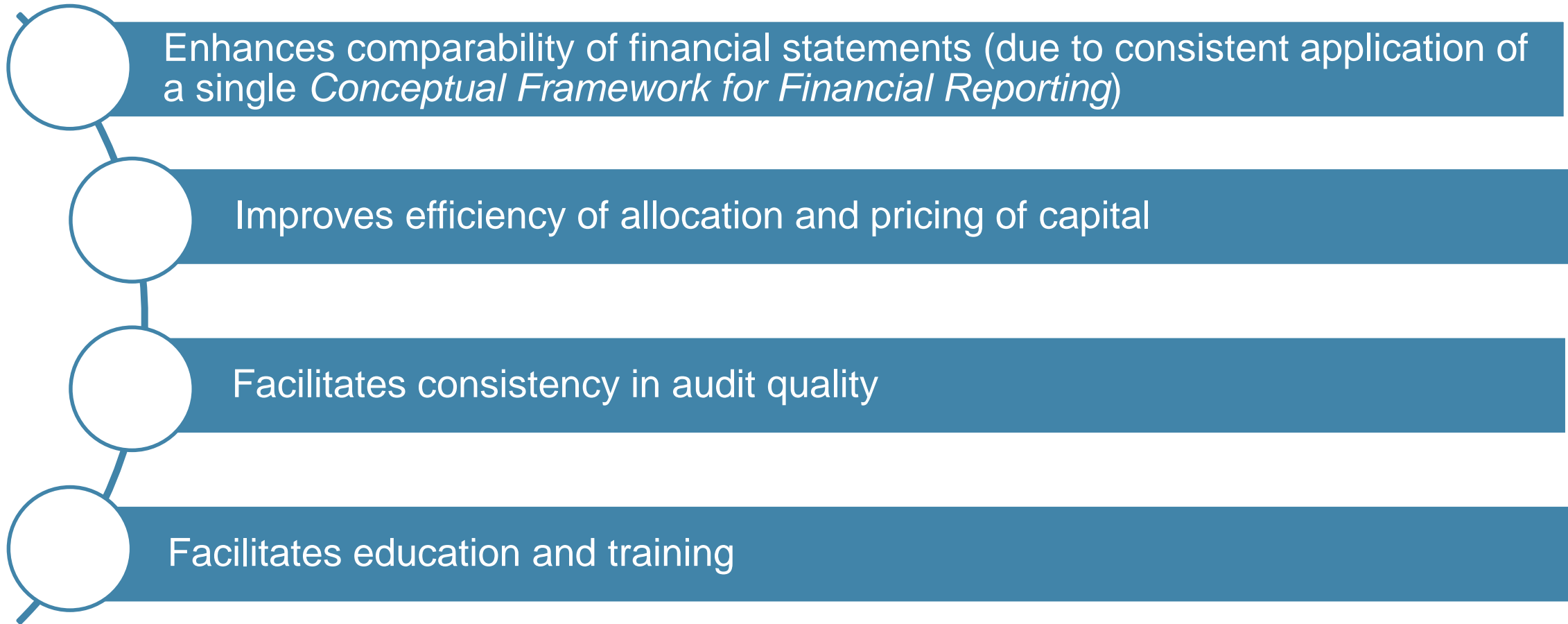
Do national standard-setters support the Board developing such a Standard?

Yes

The Board decided to develop a Standard for SMEs.

¹ IFRS Foundation *Constitution* para 2(c) (December 2018).

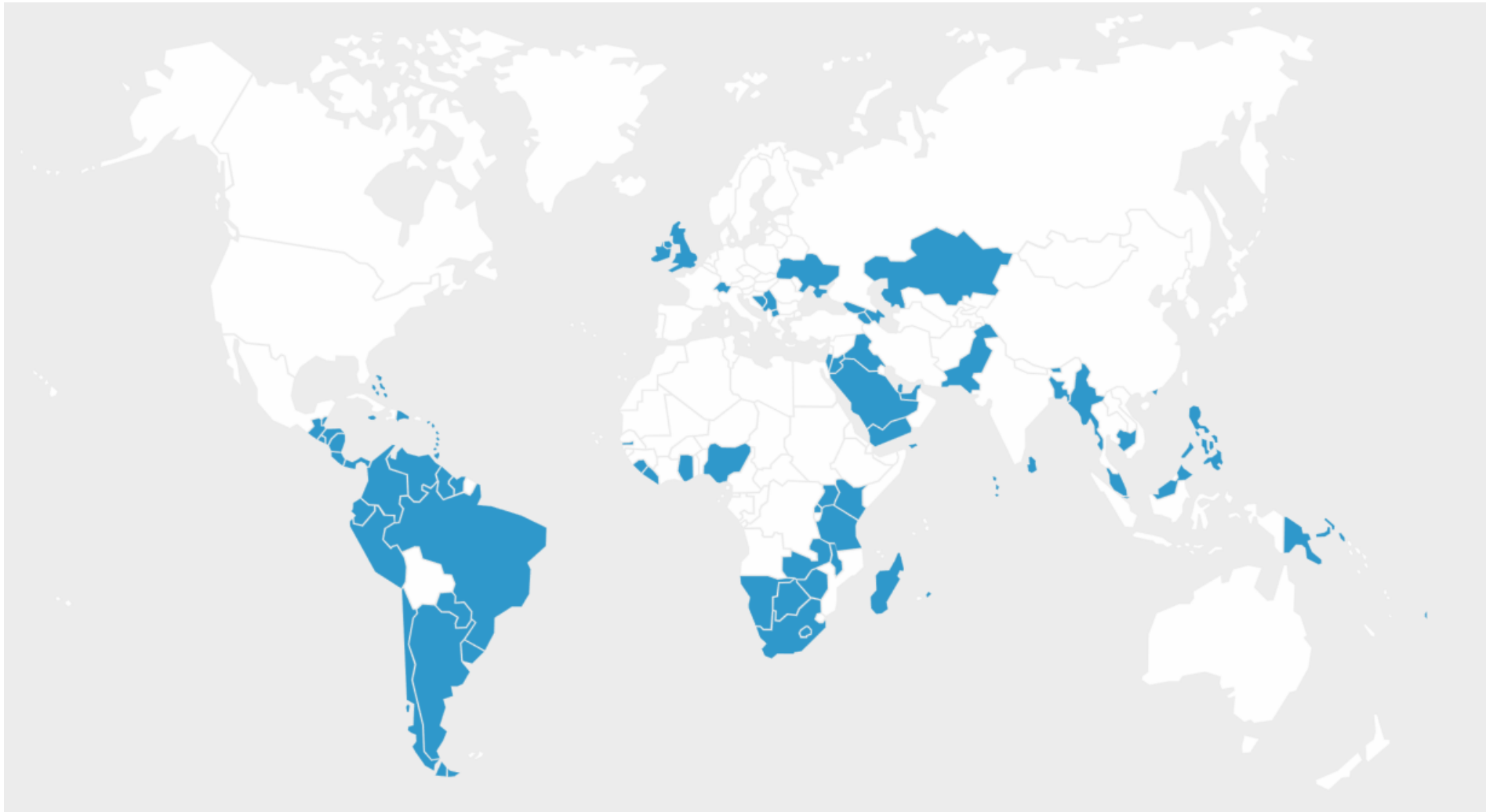
Benefits of a global standard for SMEs¹



¹ Paragraph BC36 of the *IFRS for SMEs* Standard.

Adoption of the *IFRS for SMEs* Standard

86 of **166** jurisdictions require or permit use of the *IFRS for SMEs* Standard.



IFRS for SMEs Standard—Defining the original scope

In developing the *IFRS for SMEs* Standard, the Board considered whether the following types of entities should be permitted to use the Standard:

- entities whose securities are traded in public markets
- financial institutions that hold assets in a fiduciary capacity
- SMEs providing essential public services
- SMEs that are economically significant in home jurisdictions

In the *IFRS for SMEs* Standard, the Board describes SMEs as entities that:

- are not publicly accountable; and
- publish general purpose financial statements for external users.

External users of SMEs' financial reports

- banks
- shareholders that are not managers
- customers of SMEs
- vendors that sell to SMEs (to make pricing and credit decisions)
- credit-rating agencies (to rate SMEs)



Publicly accountable entity:

Entity's debt or equity instruments are traded on a public market (or it is in the process of issuing such instruments for trading in a public market)

OR

Entity holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses



The Board has received requests to extend the scope from:

- participants in the 2015 Review
- European stakeholders
- SME Implementation Group (SMEIG) members

Some respondents¹ to the RFI suggested the Board:

- extend the scope to include some publicly accountable entities
- allow jurisdictions to decide whether publicly accountable entities can use the *IFRS for SMEs* Standard
- clarify the meaning of ‘fiduciary capacity’ in the definition of public accountability—the term is interpreted inconsistently across jurisdictions

¹ See paragraphs BC179 and BC182 of the *IFRS for SMEs* Standard Part B.

Amending the scope —What are your views?

The staff plan to recommend that the Board consult on permitting the following publicly accountable entities to apply the Standard:

Entities whose securities are traded in public markets:

- if these entities are small or narrowly held; and
- if their securities are traded in alternative markets.

Entities holding assets in a fiduciary capacity:

- small financial institutions eg small credit unions, small private banks and small building societies

Entities whose securities are traded in public markets

The staff plan to recommend that such entities should be permitted to apply the *IFRS for SMEs* Standard

only if:

- their shares are traded on an alternative market
- their shares are closely held
- their shares are not regularly traded
- their shareholders unanimously agree

Entities that hold assets in a fiduciary capacity

The staff plan to recommend that such entities should be permitted to apply the *IFRS for SMEs* Standard **only if**:

- they have a strictly defined and limited group of members
- they have fewer than a specified number of members
- their members unanimously agree

Allowing some publicly accountable entities to apply the *IFRS for SMEs* Standard—Potential advantages

For preparers of financial statements

- reduced cost of preparing financial statements
- improved financial reports

Other advantages

- increased global adoption of the *IFRS for SMEs* Standard
- improved financial reports for investors
- benefits to lesser-resourced entities from simplified requirements

Allowing some publicly accountable entities to apply the *IFRS for SMEs* Standard—**Potential disadvantages**

- **Increased complexity** of the *IFRS for SMEs* Standard
- **Increased cost** of maintaining the *IFRS for SMEs* Standard
- **Reduced information to users** (including regulators) of financial statements prepared by entities that apply the *IFRS for SMEs* Standard instead of full IFRS Standards
- **Reduced comparability** of financial statements

1. What are your views on the staff proposal that the Board consults on permitting some publicly accountable entities to apply the *IFRS for SMEs* Standard?

2. Do you agree with staff proposals if some publicly accountable entities apply the *IFRS for SMEs* Standard this should be subject to the restrictions described on slides 15–17:
 - a. entities whose securities are traded on a public market?
 - b. entities that hold assets in a fiduciary capacity?



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ADMIN PAPER

IFRS® Advisory Council

London February 2019

Agenda paper 8

Author April Pitman (apitman@ifrs.org)

Re Report back on the advice provided by the Advisory
Council at its September 2018 meeting

Purpose

1. The table on the following pages summarises:
 - (a) the advice that the Advisory Council provided during its most recent meeting in September 2018,
 - (b) the resulting action taken by the Board/Trustees/Staff, and
 - (c) any planned next steps.
2. There will be an opportunity to discuss this report and ask any questions during the administrative session at the March 2019 meeting.

Name of project/ area discussed	Advice given by the Council	Effect of the advice
Strategic trends observed with respect to the retention of staff and how those trends should affect the IFRS Foundation	<p>The Advisory Council discussed strategic trends observed on both the future of talent and how organisations ensure they remain relevant. Advisory Council members provided many rich and varied insights for the IFRS Foundation to consider around the following themes, seen as common strategic trends in the attraction and retention of talent:</p> <ul style="list-style-type: none"> • the social purpose of the organisation and its direct impact on the individual; • the need to be a learning organisation; • flexibility; • the breadth and depth of required skill sets; • diversity and inclusiveness; and • the consideration of continuous, real time, feedback on performance. 	<p>See AP 2B <i>Feedback on the Advisory Council's advice</i></p>
Addressing perceptions about timeliness	<p>The Advisory Council addressed some key questions in respect of how the IFRS Foundation could balance the due process requirements and effective stakeholder engagement with perceptions around timeliness. Members provided varied advice. The common themes were:</p> <ul style="list-style-type: none"> • Better communication is seen as the key to reducing the perception of timeliness issues. 	<p>This feedback has been shared with senior staff members and will be considered as individual project plans are developed.</p>

- **Quality trumps timeliness in standard setting.**
- **Timeliness is not necessarily seen as an issue in reality.**
- **There is, however, a need to both recognise and address the perception of a lack of timeliness.**
- **Flexibility (and nimbleness) of approach for different projects and different stakeholders may assist in reducing perceived timeliness issues.**

The Trustees’ review of the Due Process Handbook

Advisory Council members considered and discussed the Trustees’ review of the Due Process Handbook (DPH). The Advisory Council provided advice on two areas under review:

1. The possible utilisation of agenda decisions by the Board in addition to their use by the Interpretations Committee to support the consistent application of IFRS Standards.

The Advisory Council members advised the Trustees and Board to ensure that:

- **there is a clearly articulated rationale for the proposal.**
 - **there are appropriate safeguards and clear criteria about the use of such a tool to avoid proliferation of Board agenda decisions.**
 - **any perception that the proposal blurs the line between the work of the Board**
-

The Advisory Council’s advice was considered when developing the Trustees’ proposed amendments to the DPH. These proposals were discussed at both the October 2018 and January 2019 meetings of the Trustees. The Trustees expect to publish an Invitation to Comment on these proposals in March or April of this year.

and the role of Interpretations Committee is managed.

The majority of the members of the Advisory Council supported the Board having such an additional tool in its tool box, with the right safeguards, although there was a significant minority who did not support it.

2. The specifics of the current requirement in the Due Process Handbook for the Board to consult on the addition of a project to its standard-setting agenda between its formal agenda consultations. The discussion was focused on moving an item from the research agenda to the standard-setting agenda, using the example of the Primary Financial Statements project. Advisory Council members were clear that they did not want to reduce the level of consultation. They also thought that if timeliness was an issue, then there were ways to be consulted other than at the biannual meeting of the Advisory Council. The Advisory Council encouraged the Due Process Handbook review to focus on both the clarity and flexibility of how to meet the current requirement.

<p>Advice on the comment letter process and the</p>	<p>Advisory Council members considered and discussed the effectiveness of the IFRS Foundation’s feedback on consultative documents. The consistent advice was that:</p>	<p>The staff are developing a four point plan to consider: (a) ‘push out’ to stakeholders (eg through tweets);</p>
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impact of technology

- The Board was encouraged to be flexible and creative about how best to obtain feedback, without reducing either the quality of feedback or the comprehensiveness of stakeholder engagement. The Advisory Council noted that one size does not necessarily fit all. In particular, Council members suggested that the Board consider having a wide range of tools to seek feedback so the Board can get appropriate feedback and engagement for each type of stakeholder.
- The Board ensures that it provides clarity about what it is seeking in the way of feedback.
 - (b) educational slides on the website;
 - (c) a video on the importance of stakeholder engagement and comment letters;
 - (d) redrafting the ‘Invitation to comment’ forward.

Strategic considerations with respect to the IFRS taxonomy

The Advisory Council considered and discussed strategic considerations surrounding structured electronic reporting. Advisory Council members’ advice was for the IFRS Foundation to:

- keep doing work on the IFRS taxonomy, as it is an integral part of financial reporting standards.
- own what it can control and be technology agnostic—it is not the role of the IFRS Foundation to go the whole journey with structured electronic reporting.
- acknowledge that the Foundation is an enabler, but consider creative means of

See AP 2B *Feedback on the Advisory Council’s advice*

**influencing or collaborating with
multiple intermediaries, and end users,
about the use of the IFRS taxonomy.**

Date	March 2019	Agenda paper 9
Title	Admin session: Approach to the self-review	
Contact	Joanna Perry	

Purpose of the paper

1. In this paper, we set out our approach to the recent self-review held by members of the Advisory Council.
2. The self-review process was carried out in three parts:
 - a) a self-review questionnaire completed by Advisory Council members and some staff and Board members;
 - b) a summary of actions taken by the Trustees of the IFRS Foundation (Trustees) and the International Accounting Standards Board (Board) in response to advice received from the Advisory Council; and
 - c) other input received, particularly that from the Trustees.
3. The questionnaire consisted of two types of questions:
 - a) Questions 1-5 concern perceptions about the nature and activities of the Advisory Council as a whole; and
 - b) Questions 6-13 investigated members' views about the performance of individual members and the administration of the Advisory Council.
4. The findings from the self-review will be discussed at the March 2019 meeting of the Advisory Council. The public session will focus on the nature and activities of the Advisory Council as a whole; the Advisory Council in close session will consider all aspects of the findings.

Sessions relating to the self-review at the March 2019 meeting

5. In the interests of balancing transparency with a free discussion, we'll discuss the findings in several different formats in order to achieve differing objectives:
 - a) To aid members' depth of understanding, and facilitate discussion amongst the members, the detailed findings of all three information streams—questionnaire, actions by the Foundation and other input—are presented in

Agenda Paper 9A *Detailed findings from the self-review*. This is a private paper for Advisory Council members.

- b) To aid transparency, the findings with respect to the five key strategic questions (Questions 1-5) will be presented in a public session of the meeting. That information is presented as Agenda Paper 5 *Summary findings from the self-review*.
- c) To obtain a full range of views and a deeper understanding of the issues involved, members will hold a full discussion in closed session on the findings from the self-review:
 - i. Agenda Paper 9A containing the detailed findings of the self-review will be tabled at a closed admin session of the Advisory Council.
 - ii. This paper will be discussed by members in closed breakout groups. See Agenda Paper 9B *Members' discussion of the self-review findings*.
 - iii. Members will then reconvene in a closed plenary session to consider their conclusions about the self-review.
 - iv. In the closed admin session, members will also consider whether any revisions are required to the revised Terms of Condition, discussed at the September 2018 meeting and presented at this meeting as Agenda Paper 9C *Revised terms of reference of the Advisory Council*.
- d) At the end of the meeting, and in public session, the Chair will relay members' views on the activities of the Advisory Council and summarise the findings of the self-review.

Next steps

- 6. The Chair will relay the Advisory Council's conclusions about the findings of its self-review to the Trustees and Board members in writing. The Chair will discuss this report with the Trustees at their June 2019 meeting.
- 7. Agenda Paper 9A also sets out some suggestions received from the review for day-to-day improvements which can be considered in future admin sessions.

Date	March 2019	Agenda paper 9A
Title	Admin session: Detailed findings from the self-review	
Contact	April Pitman	

Purpose of the paper

1. In this paper, we set out our detailed findings from the 2018 self-review held by members of the Advisory Council.
2. There were three sources of input to the review process:
 - a) a self-review questionnaire completed by Advisory Council members and some staff and Board members;
 - b) a review of actions taken by the Trustees of the IFRS Foundation (Trustees) and the International Accounting Standards Board (Board) in response to advice received from the Advisory Council; and
 - c) other input received, particularly that received from the Trustees.
3. This paper consists of:
 - a) summary of the findings;
 - b) introduction to the questionnaire;
 - c) findings about the Advisory Council as a whole;
 - d) findings and perceptions about individual members and the administration of meetings;
 - e) Foundation responses to advice received from the Advisory Council;
 - f) other input to the review; and
 - g) next steps.

Summary of the findings

4. The findings about members' views on the effectiveness of the Advisory Council as a whole were generally favourable.

Members responses to the questionnaire

5. Member agreed with the five key strategic statements included in Questions 1-5 of the questionnaire:

Statement	Score out of 5
Q1: I think the Advisory Council is balanced in its composition and its members have the right range of experience to provide strategic advice to the Board and the Trustees.	4.10
Q2: I think that the Advisory Council meetings are run effectively.	4.27
Q3: I think the topics discussed at our meetings are relevant and appropriate and focus properly on questions of a strategic, rather than technical, nature.	4.07
Q4: I think the advice we give to the IFRS Foundation is acted upon and can be seen to affect the Foundation's thinking and strategy.	3.98
Q5: I think the Advisory Council achieves its primary objective, as outlined in the Constitution, of providing a forum in which the Board can consult individuals and representatives of organisations that are committed to the development of high quality IFRS Standards.	4.24

6. In questions 6-13, members also commented on their role as individuals and on the administration of the Advisory Council.
- a) All members thought that their contribution was appreciated.
 - b) The majority of members thought that individual members contributed appropriately to meetings, although there were some concerns about the reluctance of some members to take part in discussions and a few concerns about the potential of members to promote special interests.
 - c) Most members found it difficult to answer the questions about other members' local engagement.
 - d) The general view was that a term of three year's was appropriate.
 - e) Most members agreed that meetings should be held mid-week as at present.

7. Members thought there was strong evidence that the Foundation acted on advice received from the Advisory Council.
8. Other sources of input to the self-review, especially that from the Trustees, was also favourable:
 - a) At their meeting in January 2019, the Trustees provided feedback to the Chair of the Advisory Council. See paragraphs 73-75.
 - b) At the time of the 2015 review the Trustees excluded the Advisory Council because the Trustees thought that the Council was operating efficiently and effectively.

Effect of the self-review on the proposed update to the TOR

9. Two aspects of the self-review touch on the proposed update of the terms of reference (TOR).
 - a) The questionnaire asked whether a term of three years is appropriate and the responses are discussed in paragraphs 59-64. The general view is that three years is the appropriate term.
 - b) Most members think that the Advisory Council's role is a strategic one and that its role is distinguished from that of the Accounting Standards Advisory Forum (ASAF). A few members, however, suggested that the TOR make it explicit that the Advisory Council's role is to provide strategic, rather than technical, advice. At their January 2019 meeting, the Trustees also asked that the Advisory Council's role is made clear in the revised TOR.
10. In paper 9C *Revised terms of reference* the staff suggest adding some additional wording to the TOR to make the strategic nature of the Advisory Council's role clearer.

Introduction to the questionnaire

11. The questionnaire consisted of two types of questions:
 - a) Questions 1-5 concern perceptions about the nature and activities of the Advisory Council as a whole; and
 - b) Questions 6-13 investigated members' views about the performance of individual members and the administration of the Advisory Council.
12. Respondents to Questions 1-5 were asked to record how strongly they agreed or disagreed with each statement. The possible responses were:

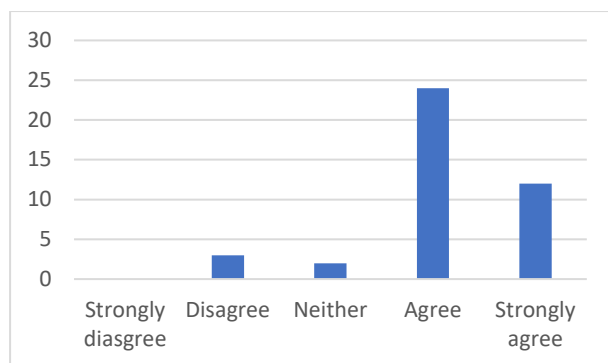
1. strongly disagree;
 2. disagree
 3. neither agree nor disagree
 4. agree
 5. strongly agree
13. Respondents to Questions 6-13 were asked yes/ no questions or were asked to comment on aspects of the Advisory Council's activities.
14. The questionnaire is Appendix A to this paper.
15. The questionnaire was completed by 42 Advisory Council members and official observers out of a possible 52. Members who did not respond generally were either absent through illness or had left the Council; the Chair did not consider it appropriate to complete a questionnaire herself. The questionnaire was also completed by five Board members or staff of the Foundation.
16. The analysis that follows is based on the members' own responses. Separate comments are recorded when the Board or staff views differ.

Findings about the Advisory Council as a whole

17. The first five questions on the questionnaire deal with the effectiveness of the Advisory Council as a whole by asking members for the strength of their agreement with statements about the following aspects of the Advisory Council:
- a) composition of the Advisory Council;
 - b) effective meetings;
 - c) relevant topics;
 - d) advice acted upon; and
 - e) achievement of primary objectives.
18. The questionnaire at Appendix A contains the detailed wording of each statement. The response to each statement is considered separately below.

Composition of the Advisory Council

19. Question 1 asked about agreement with a statement that the composition of the Advisory Council was balanced and members had the right range of experience. Most Advisory Council members agreed with this statement, giving the statement an overall score of 4.10 out of 5.00:

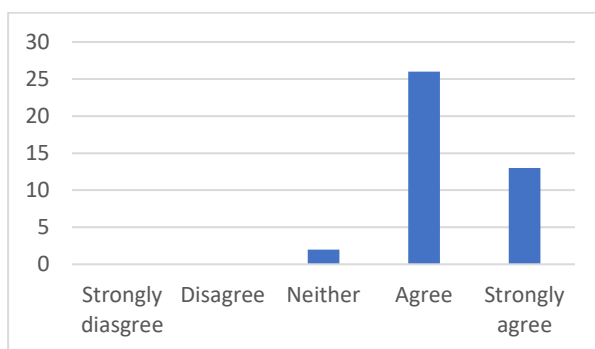


20. Diversity in background and geographical distribution was considered important. The general view was that the selection of members was representative of industries and regions and provides an adequate range of different views and perspectives. Individual members made some specific comments about the group's composition.
21. One member noted that the Advisory Council was the most diverse group of advisors to the Board and the Foundation.
22. A number of members considered that some members have a limited knowledge of some topics, especially technology. Members noted that special skills were needed when considering the future of corporate reporting, the effects of technology and ESG reporting (environment, sustainability and governance).
- a) One suggestion was that the Big 4 accounting networks could provide a technology expert on a rotating basis.
 - b) One member thought that some topics where specialist skills were lacking—social media, data analysis, communications—suggested a younger, albeit less experienced, membership was indicated. In the same vein, another cautioned that older membership reflects advice that is entrenched in the system as it exists today, rather than the future.
23. A few members warned against a perceived focus on accountancy, finance and economic skills. One member suggested that appointing former politicians, civil servants and regulators could increase the Advisory Council's focus on social responsibility. Another thought that other disciplines such as IT or engineering could provide wider thought processes.
24. A number of members suggested there should be greater representation from:
- a) investors, although we are within the guidelines set by Trustees;
 - b) the private, not-for-profit sector;

- c) emerging economies such as those in South America and Africa; and
 - d) more specialist industry members, such as banking.
25. One member, however, warned against adding further groups of stakeholders. That member thinks the Advisory Council membership is already too large.
26. A staff member cautioned that, although the role of the Advisory Council was to provide strategic rather than technical advice, members still need some knowledge of the Board’s technical activities in order to understand its resources and capabilities.

Effective meetings

27. Question 2 asked about agreement with a statement that meetings were run effectively. Most Advisory Council members agreed with this statement, giving the statement an overall score of 4.27 out of 5.00:

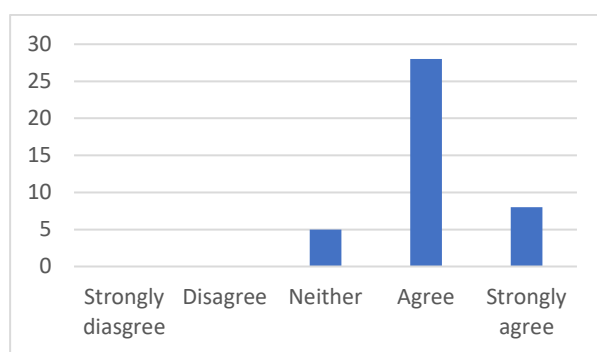


28. The general view was that meetings were run very effectively and that chairing was good. Members thought that the use of breakout sessions allowed all views to be expressed. Members considered that the conduct of meetings had improved substantially and the papers to support discussions were good. The move from written papers to slides was considered beneficial. Some specific comments were made, especially concerning breakout sessions.
29. Breakout sessions were widely considered to be beneficial:
- a) The breakout format incentivises participation by all members, which can be difficult in a large group.
 - b) Breakout discussions led to a better conversation and fuller exchange of information.
30. However, there were some suggestions about how the breakout sessions should be managed:
- a) A few members cautioned against too many breakout sessions. One member suggested limiting them to three per meeting.

- b) A few members suggested allowing more time between the discussions and the feedback. One member suggested delaying responses or report back to after the meeting or at the next meeting to allow more thought to be given to the results and discussions.
- c) One member suggested holding breakout discussions in public to prevent reliance on panel discussions. Another member suggested that after the panel discussion, members should be canvassed in the plenary session in order to show their individual views.

Relevant topics

31. Question 3 asked about agreement with a statement that the topics referred to the Advisory Council were relevant and appropriate. Most Advisory Council members agreed with this statement, giving the statement an overall score of 4.07 out of 5.00:



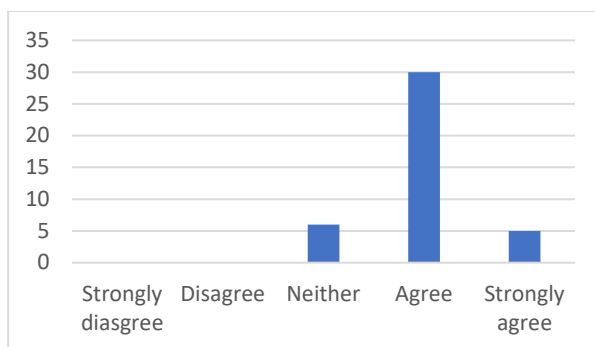
32. Generally members appreciate the more strategic topics that have been addressed since 2017. They think this approach is better suited to members, allowing them to report on the fuller economic consequences of Standards that are being developed or were recently issued. Members made a number of comments on relevance.

- a) Members found it useful to have report backs or updates on the Trustees’ and Board’s activities to help them understand the Foundation’s work and to inform members’ advice to the Foundation.
- b) One member suggested that the Advisory Council show greater focus on the Foundation’s resource allocation when offering advice.
- c) A few members suggested that the wording of questions could be clearer in some cases. One member suggested that we make it clear why an item is included on the agenda and what the objective of the session is.

33. Members also suggested further topics for future discussion, such as:
- a) a focus on cross-cutting themes;
 - b) greater focus on the future of reporting and the consumption of financial reporting;
 - c) the balance between the demand for continuous communications by preparers and the need to adhere to due process;
 - d) targeting the current and emerging risks facing capital markets and the accounting and auditing profession; and
 - e) the response of regulators and standard setters to attacks on state administration.
34. A few members expressed an interest in more technical topics and the Board's technical activities:
- a) one member thought the Advisory Council should review the Board's work plan once a year;
 - b) a few members asked to discuss some technical aspects of projects;
 - c) one member suggested holding fewer breakout sessions to allow more plenary discussions of technical issues;
 - d) one member suggested a project on the clarity of the Board's Standards which would address inconsistent language and guidance that has grown over the years; and
 - e) another member suggested the Advisory Council review an effects analysis of the Board's main projects.
35. Members noted that only very general advice can be given if members have no experience of the topic being considered eg social media and website design;

Advice acted upon

36. Question 4 asked about agreement with a statement that the advice of the Advisory Council was acted upon by the Trustees and the Board. Most Advisory Council members agreed with this statement, giving the statement an overall score of 3.98 out of 5.00:



37. Members generally thought that the Advisory Council’s advice was acted upon.

The paper at each meeting that summarises the advice received and actions taken is considered helpful. Members think that the prompt reporting to the Trustees and the Board members by the Chair, and her summing up at the end of the meeting, are key elements of the process.

38. A few members had some suggestions:

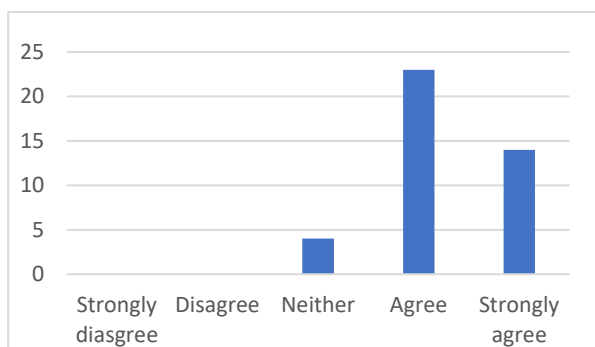
- a) they asked to be kept informed of progress made on advice given; and
- b) they asked that we take time in the meetings to discuss in detail the actions subsequently taken by the Foundation.

39. Members also acknowledged that the influence of the Advisory Council and individual members accrues over time. A few members noted that they have contact and influence through other routes, such as the Monitoring Board, and through other meetings with Board members and the staff.

40. One member thought it would be interesting to know what feedback the Board and the Trustees had for the Advisory Council (see paragraphs 72-73).

Achievement of primary objective

41. Question 5 asked about agreement with a statement that the Advisory Council achieved its primary objective of providing a consultative forum of committed organisations. Most Advisory Council members agreed with this statement, giving the statement an overall score of 4.24 out of 5.00:



42. Members were generally in agreement that the Advisory Council's role is a strategic one and that the separation of its role from that of the Accounting Standards Advisory Forum (ASAF) is clear. Members also made a number of suggestions:
- a) the terms of reference should be updated to make the strategic nature more explicit;
 - b) one member thought it had been useful to submit the 2015 Agenda Consultation and the 2016 Trustees' Structure and Effectiveness feedback statements to the Advisory Council for comment before publication;
 - c) another member suggested maintaining a log of Advisory Council and ASAF agenda items to illustrate their differing roles;
 - d) one member thought they could not give sufficiently timely advice at two meetings per year and that members should also be available for real-time consultation, eg by conference call.

Findings and perceptions about individual members and the administration of meetings

43. Questions 6-13 of the questionnaire covered a range of topics about individual member's views on the performance of members as individuals and factors that affect the administration of the Council.

Individual contributions

44. Question 6 asked whether individual members thought their contribution was valued.
45. This question received an overwhelmingly positive response. All members thought their contribution was valued. In the members' survey, 40 respondents answered yes; 2 respondents, who were official observers, made no response.
46. Although there was general agreement that the contribution of the members as a whole is valued, some members found it difficult to assess the importance of their personal contributions.
47. A few members said they would welcome more feedback on their individual contribution. Members commented:

- a) One member suggested we might hold a form of direct evaluation of an individual's contribution eg by their buddy or a mentor.
- b) One member thought the feedback to the sponsoring organisation is useful and should continue.
- c) One member responded that he thought individual views were listened to even when challenged and even if not popular.

Questions about the performance of other members

48. Questions 7-10 requested information about individual members' perception about the behaviour of other members. Most members found it difficult to answer some of these questions.

Appropriate individual contribution

49. Question 7 asked whether members thought that all members contributed appropriately to the meeting. Responses varied:
- a) 24 members (57%) thought that all members contributed appropriately;
 - b) 10 members (24%) thought members did not contribute appropriately;
 - c) 8 members (19%) chose not to respond.
50. There was general agreement that members prepare well for the meeting, but that it was difficult to know how much consultation takes place locally or within the sponsoring organisation before the meeting. Some comments were made about the performance of such a large and diverse group.
51. A number of members expressed concern that some members never speak while other members are more active, in both plenary and breakout sessions.
52. A few of these members expressed sympathy about the difficulties imposed by the use of a single language. They thought that in a large group it is inevitable that there will be varying degrees of participation at meetings, especially for non-English speakers. Members noted the importance of breakout groups in encouraging individual participation.
53. Members generally thought that the advice given is impartial and in the Foundation's interest. It was noted, however, that some organisations are specifically appointed to contribute a particular industry's or stakeholder's viewpoint. A few members suggested that there is a (limited) risk of lobbying by special interest groups.

54. In their response to Question 8, some members suggested ways in which an individual's performance could be improved.
- a) One member suggested that the Foundation consider removing WiFi at the venue to ensure no one is checking email. This respondent noted that the Financial Accounting Strategic Advisory Council has no such distractions.
 - b) Another member suggested smaller breakout groups to give individuals a greater chance to participate, ie having five breakout groups rather than four.
 - c) One member suggested that alternate representative should be allowed to attend and participate in meetings because individual members often have other demands on their time.
 - d) One member suggested that staff reduce their introduction of the topic to allow more discussion.
 - e) A number of members suggested ways to improve the appointment process:
 - i. hold interviews by phone;
 - ii. assess the English language ability of applicants;
 - iii. ensure applicants are recruited from a senior and strategic level.
 - f) One member suggested that members register conflicts of interest to prevent any covert lobbying.
 - g) A Board member suggested that the Chair use voting paddles to identify outliers and allow members to hear those unconventional views.

Appropriate local engagement

55. Question 9 asked whether members thought that all members engaged appropriately in their local region or with external parties. Responses varied:
- a) 18 members (43%) thought that all members engaged appropriately;
 - b) 3 members (7%) thought members did not engage appropriately;
 - c) 21 members (50%) chose not to respond.
56. This was a difficult question for members to answer. Most members thought they had no sight of other members' activities outside of the bi-annual meeting.
57. In response to Question 10, members offered a few suggestions how members' external activities could be improved:
- a) members could make a half-yearly return of outreach;

- b) the Foundation could provide guidance to members on how to communicate locally and what key messages to pass on; and
- c) the Terms of Reference should be updated and redrafted to make members' other activities clear.

58. One member commented, however, that the Advisory Council is an advisory board, and not a marketing board.

Term of membership

59. Question 11 asked whether three years was still the appropriate term for membership, particularly in the light of the Advisory Council meetings reducing to two pa from 2016.
- a) 28 members (67%) thought that three years was the correct term;
 - b) 8 members (19%) thought that three years was not the correct term;
 - c) 6 members (14%) chose not to respond.
60. The majority of members think that three years is still the right length of term:
- a) Three years is long enough to contribute to the group, but without it being too onerous.
 - b) Six years, including the renewal, is a reasonable total period.
 - c) One member noted that a term of three years, with a subsequent renewal, is a good period in which to evaluate a new member before deciding on reappointment.
61. Other members were concerned at the length of time it takes to become familiar with the procedure, people and topics. One member suggested it takes two meetings to become familiar with the workings of the Advisory Council—they thought a longer term would help with this process. Another member pointed out that academic research suggests that Boards of Directors that meet less frequently (one or twice a year) are less active than boards that meet more frequently (three or four times a year.)
62. Some members suggested a term of four years to take into account the learning curve. However, a few members thought that two four-year terms, giving a total membership of eight years, would limit changes to the composition of the Advisory Council. One member suggested a four-year term, but limiting the renewal period to two year—making a total term that was still limited to six years.

63. One member noted the interaction between the individual's term with the Advisory Council and the individual's term with its sponsoring organisation. That member asked how often members served their entire term or whether some left mid-term when their appointment with their organisation ended.
64. One member suggested that members should consider more frequent meetings, or virtual meeting, amongst themselves or with the Board or Trustees in addition to the bi-annual meetings.

Preferred meeting days

65. Question 12 asked what would be the best days of the week in which to hold the Advisory Council meetings. Respondents who expressed a preference supported the current practice of holding the meeting mid-week:
- a) 4 members (10%) preferred Monday and Tuesday;
 - b) 17 members (40%) preferred mid-week as at present;
 - c) 7 members (17%) preferred Thursday and Friday;
 - d) 14 members (33%) did not respond to this question.
66. The staff think that this response confirms the current practice of holding meetings mid-week.

Foundation responses to advice received from the Advisory Council

67. In responses to the self-review, some members praised the admin report which provides feedback on how the advice given by the Advisory Council is acted upon. This report was initiated following the February 2015 meeting.
68. Since that time, the Advisory Council has considered 90 topics. That advice was acted upon in the following ways:

Action	Number
Considered by the Board	40
Considered by the Trustees	19
Considered by both Board and Trustees	11
Considered by staff within project teams	11
Staff discussed with individual AC members subsequently	3
No advice given	6
TOTAL	90

69. We also note that at the March 2019 meeting senior Board and Foundation staff will provide detailed feedback on how recent topics have affected the Board and the Foundation see Agenda Paper 2B *Feedback on Advisory Council's Advice*).

Other input to the review

Input from the Foundation

70. The Chairman of the Board reports on its activities at each meeting of the Trustees. This report includes an update of the activities of the Advisory Council. We are not aware of any complaints or deficiencies reported by either Board members or the Trustees.
71. The staff also notes that in their 2015 Review of Structure and Effectiveness the Trustees thought that the Advisory Council was operating efficiently and effectively and consequently did not seek specific views on its operation as part of the 2015 consultation. (See paragraph 95 of the July 2015 Request for Views *Trustees' Review of Structure and Effectiveness: Issues for the Review*.)
72. Since 2018 the Chair of the Advisory Council has been invited to attend each meeting of the Trustees and this practice will continue in the future.
73. At the most recent meeting of the Trustees in Kuala Lumpur in January 2019, the Chair received some detailed input from the Trustees. Feedback from the Trustees at that meeting was generally very positive.

74. The Trustees confirm that the role of the Advisory Council is complementary to that of the Trustees. They noted that the advice provided is particularly useful when it is used to help build a straw man for subsequent discussion for the Trustees. Recent advice given on taxonomy and on technology, for example, had been used in this way to inform the development of the Foundation’s strategy.
75. The Trustees did request that the strategic role of the Advisory Council be made clear in the revised TOR.

Informal feedback from Advisory Council members

76. Since October 2017, members have been asked to complete a questionnaire following each meeting to collect members’ views about each session with respect to the quality of the materials, level of engagement of presenters and relevance of the topic.
77. The average score of the sessions at those meetings, out of five, were:
- a) Oct 2017 4.19
 - b) Feb 2018 3.98
 - c) Sept 2018 4.24
78. Members were also asked at each meeting about the overall effectiveness of the meeting and the relevance of the topics:

Meeting	Effectiveness of meeting (out of 5)	Relevance of topics (out of 5)
Oct 2017	4.26	4.21
Feb 2018	4.29	4.10
Sept 2018	4.44	4.44

79. The staff think these scores generally show that the members think that the effectiveness of meetings is satisfactory and improving.
80. The staff notes, however, that the February 2018 meeting contained a number of general update sessions—on ASAF, the emerging economies group, the Foundation’s social media strategy—that received low scores. The staff acknowledge that members find general updates less relevant to their role as advisor and that focused requests for advice are preferred.

Next steps

Conclusions and report back

81. The Chair will relay the findings of the self-review to the Trustees and Board members in writing. The Chair will discuss this report in private with the Trustees at their June 2019 meeting.
82. Although the results of the self-review were very positive, some suggestions could be explored at future admin sessions to see if they should be developed to increase the effectiveness of the Advisory Council:
 - a) consider some form of direct evaluation or feedback for individual members;
 - b) consider developing guidance, with the help of the Foundation, on how members can communicate better locally;
 - c) consider allocating time in future meetings to discuss in detail the actions taken by the Foundation.

Date	March 2019	Agenda paper 9B
Title	Members' discussion of the self-review	
Contact	Joanna Perry	

Purpose of the discussions

1. Paper 9A *Detailed findings of the self-review* will form the basis of the Chair's report back to the Trustees and the Board. The purpose of the members' private discussion is probe those findings to ensure we capture the results of the members' self-review accurately and clearly.

Purpose of the breakout session

2. Please discuss the contents and articulation of Agenda Paper 9A in breakout groups to assess:
 - a) whether you think that the views reported in the paper are clear;
 - b) whether you would like the Chair to place particular emphasis on some views; and
 - c) whether you want to challenge any views expressed or exclude any outlying views from being reported to the Trustees and the Board.
3. In the breakout groups please also consider whether all points raised in the self-review have been adequately reflected in the revised terms of reference (TOR) of the Advisory Council. See Agenda Paper 9C *Revised terms of reference of the Advisory Council*.

Purpose of the subsequent plenary session

4. After breakout discussions, we will have a plenary session in which members will be asked whether they think the analysis broadly captures members' views and is a suitable basis for the Chair's report to the Trustees and the Board. Members will also be asked whether they think the revised TOR adequately reflects the points raised in the self-review.

Date	March 2019	Agenda paper 9C
Title	Admin session: Revised terms of reference	
Contact	Joanna Perry	

Purpose of the paper

1. The current terms of reference (TOR) of the IFRS Advisory Council (Advisory Council) date from 2014. They need to be updated for:
 - a) changes to the Constitution in 2016;
 - b) changes to the Due Process Handbook in 2016 and 2019; and
 - c) the change in focus, from technical to strategic matters, arising from the creation of the Accounting Standards Advisory Forum (ASAF).
2. They should also be updated for style changes made as a result of the branding changes that arose from the Foundation's review of copyright law.

Proposed revisions to the TOR

3. At the September 2018 admin session a revised TOR was discussed and the changes required in accordance with paragraphs 1-2 (above) were agreed, subject to the outcome of the self-review of the Advisory Council.
4. The input to the self-review was collated in February 2019.
5. Two aspects of the self-review touched on the proposed update of the TOR and are discussed in AP 9A *Detailed findings from the self-review*:
 - a) The questionnaire used in the self-review asked whether a membership term of three years is appropriate. The general view expressed in the self-review is that three years is the appropriate term.
 - b) Most members responding to the questionnaire think that the Advisory Council's role is a strategic one and that its role is distinguished from that of ASAF. A few members, however, suggested in the self-review that the TOR make it explicit that the Advisory Council's role is to provide strategic, rather than technical, advice. At their January 2019 meeting, the Trustees also asked that the Advisory Council's role is made clear in the revised TOR.
6. In the revised TOR the staff suggest adding some specific wording to paragraphs 2 and 4 of the TOR to make the strategic nature of the Advisory Council's role

clearer. The revised wording is included in mark-up in the revised TOR on pages 3-7.

Question for Advisory Council members
Do you agree with the revised terms of reference?

March 2019

Terms of reference and operating procedures

I Objectives and scope of activities

- 1 The primary objective of the IFRS Advisory Council (Advisory Council) is to provide a forum in which the Trustees of the IFRS Foundation (Trustees) and the International Accounting Standards Board (Board) can consult individuals and representatives of organisations that are committed to the development of high quality International Financial Reporting Standards (IFRS Standards). The members of the Advisory Council represent diverse geographical and functional backgrounds.
- 2 As part of that consultative process the Advisory Council gives advice to the Board on a range of strategic, rather than technical, issues which includes, but is not limited to, the following:
 - the Board's agenda and priorities;
 - consultation on any changes in agenda and priorities; and
 - informing the Board of the views of the organisations and individuals on the Advisory Council on major standard-setting projects.
- 3 In view of the importance of the Board's agenda and priorities, once these have been determined by the Board, changes thereto are expected to be the subject of consultation with the Advisory Council.
- 4 When considered appropriate by the members of the Advisory Council, or at the request of the Trustees, the Advisory Council also provides input to the Trustees on strategic matters relating to the activities of the Advisory Council or the Board and any other relevant issues.
- 5 A secondary objective of the Advisory Council is to take steps to encourage broad participation in the development of IFRS Standards as high-quality, globally-accepted standards. This may include making use of the global network of the influential organisations represented on the Advisory Council.

II Composition and membership

- 6 The Advisory Council is composed of representatives of organisations, or individuals, interested in the development of high quality IFRS Standards. The membership provides for a broad geographical spread and a range of functional

backgrounds that include members drawn from user groups, preparers, financial analysts, academics, auditors, regulators and professional accounting bodies. In addition, certain international organisations may be granted long term seats on the Advisory Council by the Trustees. Other seats rotate regularly. Official observer status may also be granted by the Trustees to other bodies and organisations that are influential in the global financial community.

- 7 A panel of the Trustees considers nominations and, where applicable, their origins and/or the organisations that may be represented, to determine whether nominee associations and individuals are suitable for membership and to ensure a broad geographical spread and a range of functional backgrounds.
- 8 Members are appointed for an initial term of three years and, depending upon the need to maintain a proper balance and for continuity, may be asked to remain for a further period of up to three years. A maximum period of service of six years is permitted.
- 9 Each year the natural rotation of members of the Advisory Council will change the balance and dynamics of the group. Therefore, when considering nominations or reappointments the Trustees will take into account what new membership is needed to maintain a cohesive and well balance group.
- 10 In the interests of retaining an active and engaged membership, individuals who do not regularly attend in person will be asked to stand down from the Advisory Council.
- 11 The Trustees appoint members to the Advisory Council in an individual or representative capacity, and at Advisory Council meetings members are expected to express their individual views unless it is expressly stated that they are the opinions of the organisations they represent. No sourcing record is made of organisational or individual views in the Advisory Council minutes.

III Chair

- 12 The Chair of the Advisory Council is appointed by the Trustees. The term of office of the Chair is three years renewable for up to three years, subject to a maximum of six years.
- 13 The Chair provides leadership to the Advisory Council in ensuring that the Board and the Trustees receive timely and effective input that contributes to the development of high quality IFRS Standards enjoying broad acceptance. To achieve this goal, the Chair actively monitors the progress of the Board's work

programme, projects and priorities and works closely with the Chair of the Board and senior staff to identify, on a timely basis, matters on which the Advisory Council's advice should be sought.

14 Specifically, the duties of the Chair include, but are not limited to, the following:

- working with the senior staff of the Board and IFRS Foundation to ensure the preparation of timely and appropriate materials to facilitate the conduct of the Advisory Council meetings;
- conducting meetings of the Advisory Council;
- reviewing the draft minutes of Advisory Council meetings before distribution to members;
- acting as the liaison between the Advisory Council and the Board and the Trustees;
- keeping abreast of developments within the Board and informing members of the Advisory Council of these matters, if considered necessary, between meetings;
- assisting the Trustees in the identification of new members of the Advisory Council;
- briefing new members of the Advisory Council on its operations and their role and responsibilities;
- assisting the Chair of the Board to encourage broad participation in the development of IFRS Standards as high-quality, globally-accepted standards; and
- at the request of the Trustees, attending and participating in the Trustees' meetings.

IV Operating procedures

15 In order to ensure that the Advisory Council operates efficiently and effectively the following operating procedures are adopted.

Meeting details

16 Generally, the Advisory Council meets two times per year for a period of two days, but additional meetings may be convened at the request of the Chair.

17 The Chair of the Board, the Board's Executive Director of Technical Activities

and those Board members and staff who are responsible for items on the agenda are required to attend Advisory Council meetings. Board members are generally expected to attend the meetings on a regular basis so that they can hear at first hand the views of the Advisory Council. Trustees are invited to attend the meeting.

18 Secretarial support for the meetings, as well as the recording of the minutes, is the responsibility of a designated member of the IASB staff.

19 The meetings of the Advisory Council are open to the public except for administrative items and pre-project initiation strategies, which are dealt with in closed session.

20 An audio recording of the public meetings of the Advisory Council is posted on the IFRS Foundation web site.

Meeting agenda and papers

21 All Advisory Council members are encouraged to submit items for consideration for inclusion in the agenda in advance of the meeting date and in accordance with the timing determined by the Chair.

22 Written materials supporting Advisory Council agenda items are provided before each meeting. A briefing paper highlighting those issues on which specific guidance is sought from the Advisory Council is usually prepared for each item on the agenda. The extent of the supporting documentation is dependent on the complexity of the issues involved and the need for Advisory Council members to be adequately briefed. The following should be the norms for distribution of material to Advisory Council members by the Secretariat:

- The Chairman's report of each meeting is distributed to Advisory Council members within thirty days following each meeting of the Advisory Council (or subcommittee of the Advisory Council);
- the agenda for each Advisory Council meeting, including a brief description of each agenda item, is distributed to Advisory Council members at least thirty days before each Advisory Council meeting; and
- all detailed agenda papers are distributed to Advisory Council members at least ten days before each Advisory Council meeting.

Conduct of meetings

23 Discussion of each topic is generally supported by an introduction of the topic

by the relevant Board member or staff, and may include papers prepared and/or delivered by Advisory Council members. The extent of these briefings is dependent on the complexity of the topic

- 24 At the meeting members are invited to comment on the questions raised or any other related matters. Depending upon the issue, the Chair may call for a formal poll to demonstrate to the Board the extent of support within the Advisory Council for a particular point of view. If the Board ultimately takes a position on a particular issue that differs from a polled expression of the Advisory Council, feedback is given at the next meeting of the Advisory Council on the reasons for the Board's decision.

Subcommittees

- 25 In order to improve the quality of comment submitted to the Board and the Trustees on a specialised topic, the Chair may call for the establishment of a subcommittee of knowledgeable Advisory Council members to provide expert comment. This subcommittee reports to the Advisory Council, which in turn presents its views to the Board and the Trustees.

Travel and accommodation costs

- 26 Members of the Advisory Council or the organisations they represent meet their own travel and accommodation costs.

V Approval and changes

- 27 The Trustees have approved the terms of reference and operating procedures and any changes thereto require their concurrence.