

## ASCG Survey on the IASB Agenda Consultation 2021 – Feedback Statement –

### 1 ASCG survey – background and structure

As proposed by its IFRS Technical Committee, the ASCG has initiated a survey among German constituents accompanying the IASB Agenda Consultation 2021. For this purpose, an online questionnaire has been developed and the public interest has been invited for participation via the ASCG's website. Our survey started on 15 June 2021 and ended on 15 August 2021.

Details on the IASB Agenda Consultation have been summarised in an earlier [ASCG briefing paper](#) (in German language only), which is also useful for background purposes when reading this feedback statement.

Our questionnaire comprises 7 questions. These cover the questions raised in the IASB's consultation document. In addition, we asked participants to mention their names and/or the organisation/company.

| Issue   | ASCG question   | IASB question |
|---|---|---------------|
| (a) the strategic direction and balance of the Board's activities     | 1a) Should the Board increase, leave unchanged or decrease its current level of focus?      | = Q1a         |
| (a) the strategic direction and balance of the Board's activities     | 1b) Should the Board undertake any other activities?  | = Q1b         |
| (b) criteria for assessing the priority of financial reporting issues | 2a) Do the Board have identified the right criteria to use?                                 | = Q2a         |
| (b) criteria for assessing the priority of financial reporting issues | 2b) Should the Board consider any other criteria?   | = Q2b         |
| (c) new financial reporting issues that could be given priority       | 3a) What priority would you give each of the 22 potential projects described in App. B?     | = Q3a         |
| (c) new financial reporting issues that could be given priority       | 3b) Should any other financial reporting issues be added (e.g. the 10 proposals in App. C)? | = Q3b         |
| (d) miscellaneous   | 4) Do you have any other comment?   | = Q4          |
| ---   | Name/institution or company of the participant  | ---           |

Overall, there were 41 participants in our survey, of which 26 gave their names and/or the name of the institution/company (which will remain confidential). These comprise the following: 21 companies (all listed companies, among which 14 are industry/different sectors, 5 banks, 2 insurers), 2 audit companies, 2 associations und 1 academic.

In the following, we have summarised the feedback to our survey – for more details, we refer to an agenda paper for our IFRS Technical Committee which is publicly available ([see here](#)).

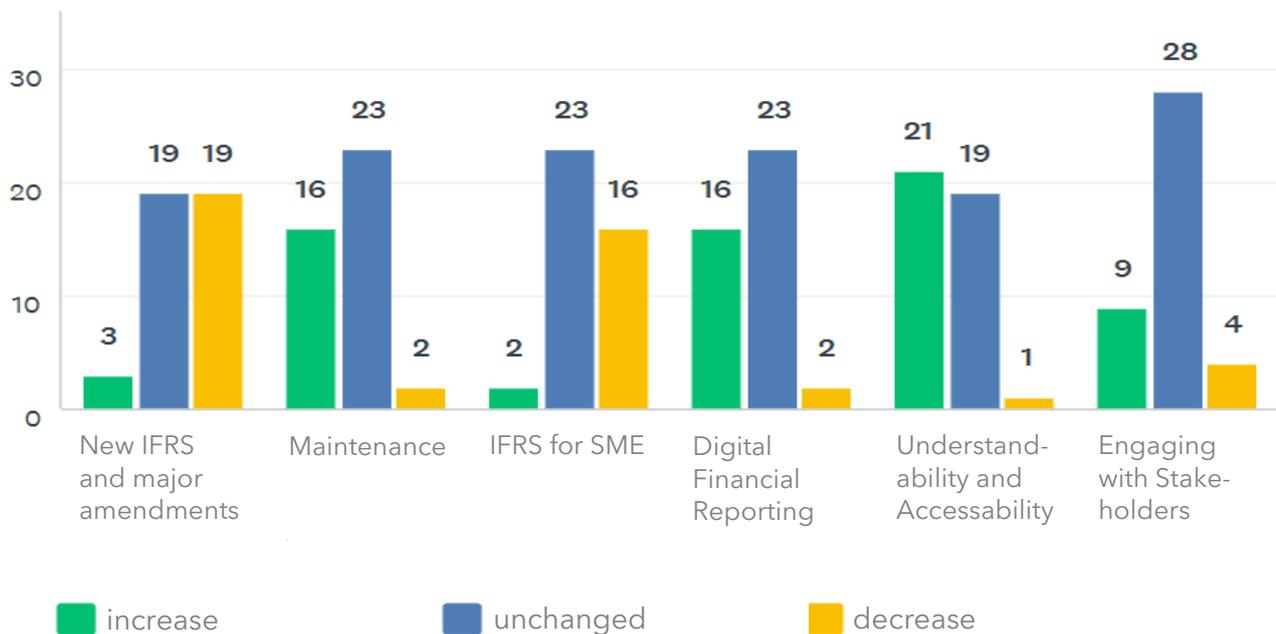
## 2 Illustration of the feedback

### Q1a: Should the IASB’s activities be increased, or decreased or left unchanged?

The IASB’s main activities and the current level of focus are:

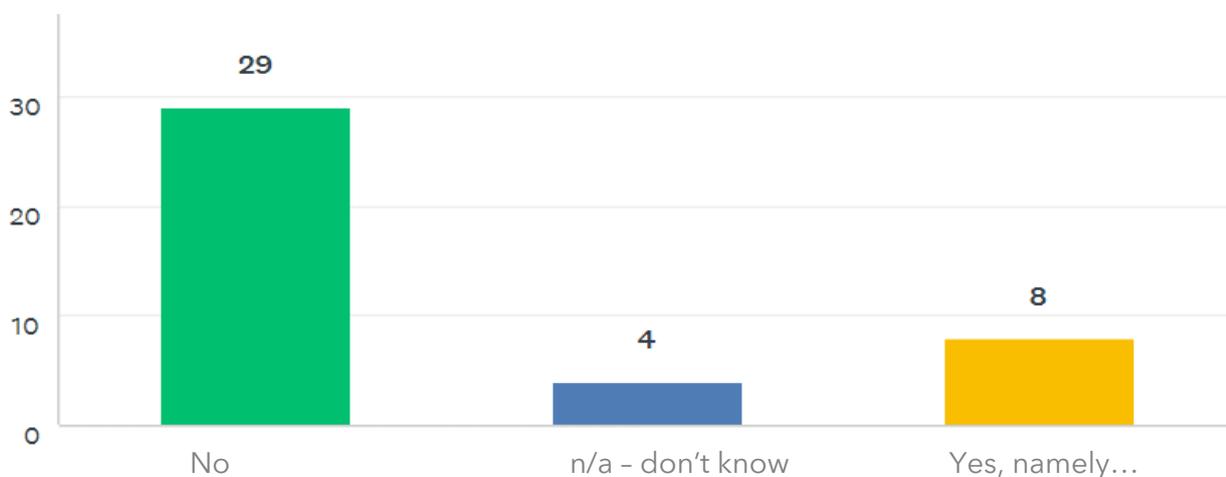
- new IFRSs and major amendments to IFRSs (40-45 %)
- maintenance (15-20 %)
- IFRS for SME (5 %)
- digital financial reporting (5 %)
- understandability and accessibility (5 %)
- engaging with stakeholders (20-25 %)

41 answers:



### Q1b: Any other / additional activities of the IASB?

41 answers:



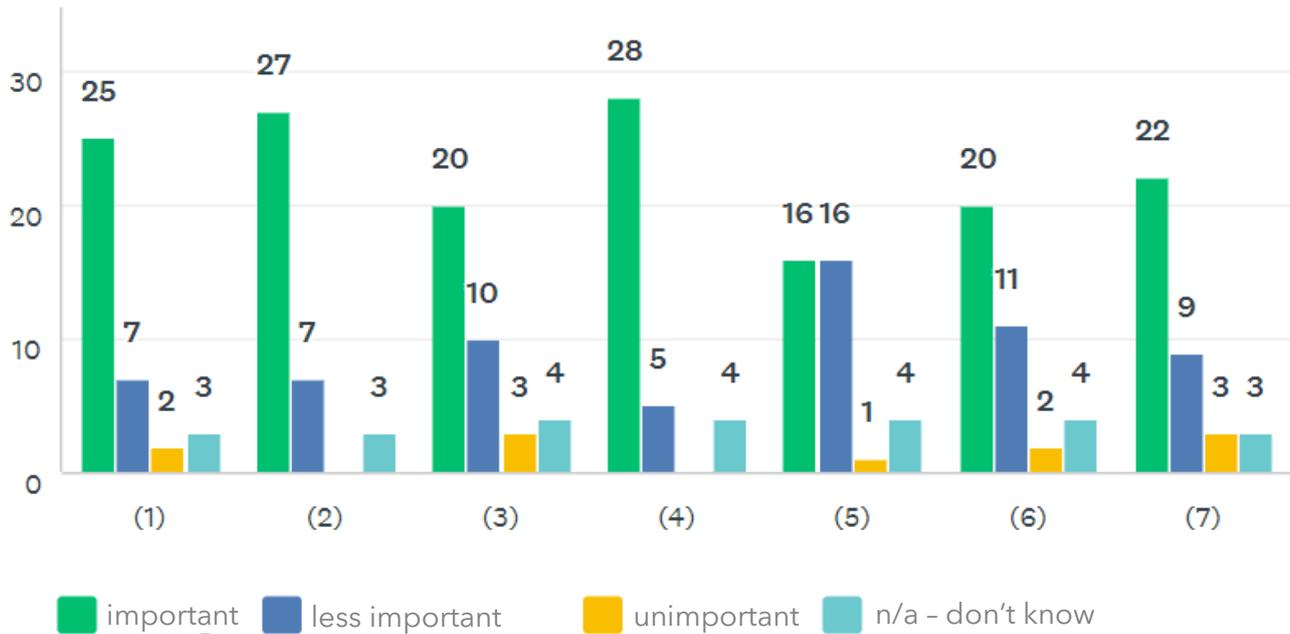
The 8 comments on „Yes, namely...“ primarily address the interconnectedness between financial and nonfinancial reporting and the interaction with the ISSB to come.

**Q2a: Has the IASB identified the right criteria?**

The criteria for assessing whether to add a project, and how it is prioritised, are:

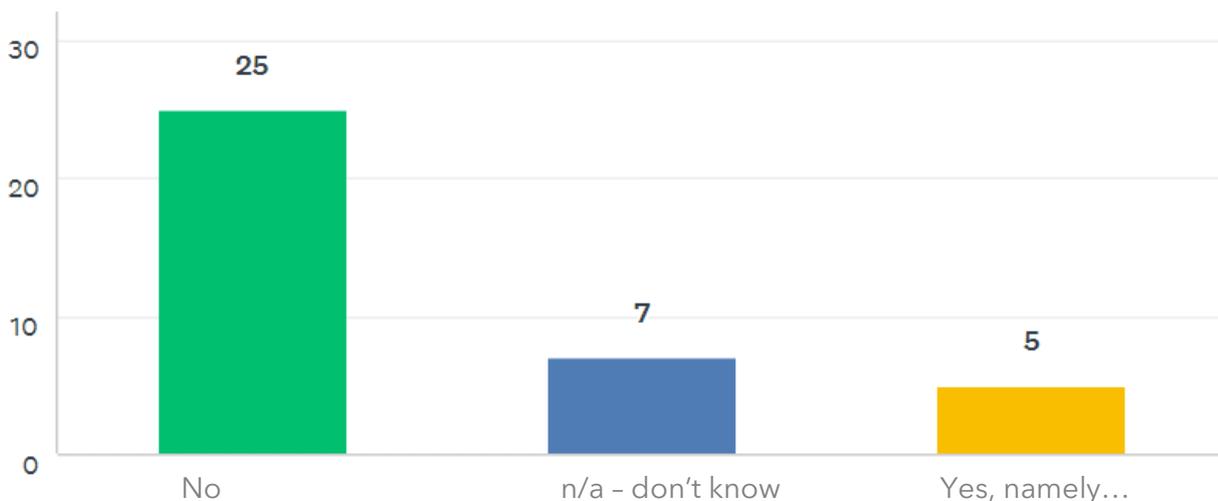
- (1) the importance of the matter to investors;
- (2) whether there is any deficiency in how companies report the type of transaction or activity;
- (3) the type of companies (or a prevalent jurisdiction) that the matter is likely to affect;
- (4) how pervasive or acute the matter is likely to be for companies;
- (5) the potential project’s interaction with other projects on the work plan;
- (6) the complexity and feasibility of the potential project and its solutions;
- (7) the capacity of the Board and its stakeholders to make timely progress on the project.

37 answers (4 have skipped):



**Q2b: Any other criteria?**

37 answers (4 have skipped):



The 5 comments on „Yes, namely...“ primarily address the cost-benefit relation from a preparer’s perspective.

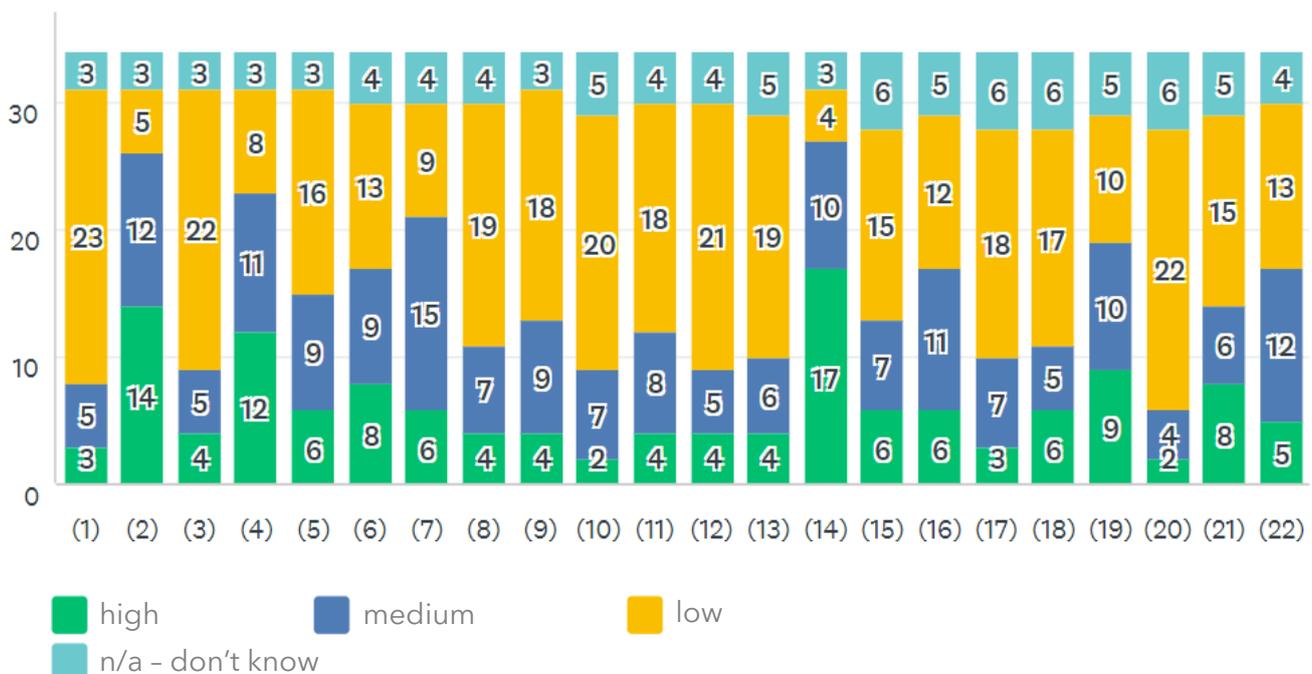
**Q3a: 22 potential projects (see App. B) – what priority would you give each of them?**

The potential projects identified are:

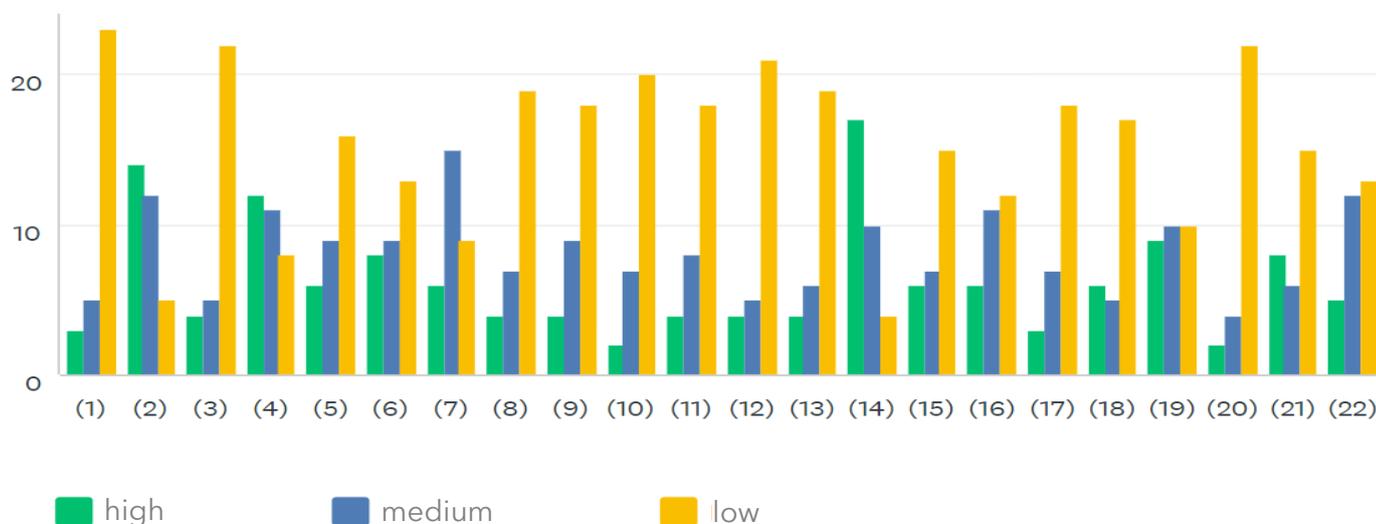
- (1) Borrowing costs (IAS 23)
- (2) Climate-related risks (IAS 1, IAS 36)
- (3) Commodity transactions
- (4) Cryptocurrencies and related transactions
- (5) Discontinued operations and disposal groups (IFRS 5)
- (6) Discount rates
- (7) Employee benefits (IAS 19)
- (8) Expenses—Inventory and cost of sales
- (9) Foreign currencies (IAS 21)
- (10) Going concern
- (11) Government grants (IAS 20)
- (12) Income taxes (IAS 12)
- (13) Inflation (IAS 29)
- (14) Intangible assets (IAS 38)
- (15) Interim financial reporting (IAS 34)
- (16) Negative interest rates
- (17) Operating segments (IFRS 8)
- (18) Other comprehensive income
- (19) Pollutant pricing mechanisms
- (20) Separate financial statements (IAS 27)
- (21) Statement of cash flows and related matters (IAS 7)
- (22) Variable and contingent consideration

34 answers (7 have skipped):

# all answers (stacked)



# only answers „high” / „medium” / „low“ (i.e. answers „n/a – don’t know“ disregarded):



# only answers „high” / „medium” / „low“ (tabulated):

| #  |  | high       | medium     | low        |
|----|--|------------|------------|------------|
| 1  | Borrowing costs (IAS 23)                             | 3          | 5          | 23         |
| 2  | Climate-related risks IAS 1, IAS 36)                 | 14         | 12         | 5          |
| 3  | Commodity transactions                               | 4          | 5          | 22         |
| 4  | Cryptocurrencies and related transactions            | 12         | 11         | 8          |
| 5  | Discontinued operations and disposal groups (IFRS 5) | 6          | 9          | 16         |
| 6  | Discount rates                                       | 8          | 9          | 13         |
| 7  | Employee benefits (IAS 19)                           | 6          | 15         | 9          |
| 8  | Expenses—Inventory and cost of sales                 | 4          | 7          | 19         |
| 9  | Foreign currencies (IAS 21)                          | 4          | 9          | 18         |
| 10 | Going concern  | 2          | 7          | 20         |
| 11 | Government grants (IAS 20)                           | 4          | 8          | 18         |
| 12 | Income taxes (IAS 12)                                | 4          | 5          | 21         |
| 13 | Inflation (IAS 29)                                   | 4          | 6          | 19         |
| 14 | Intangible assets (IAS 38)                           | 17         | 10         | 4          |
| 15 | Interim financial reporting (IAS 34)                 | 6          | 7          | 15         |
| 16 | Negative interest rates                              | 6          | 11         | 12         |
| 17 | Operating segments (IFRS 8)                          | 3          | 7          | 18         |
| 18 | Other comprehensive income                           | 6          | 5          | 17         |
| 19 | Pollutant pricing mechanisms                         | 9          | 10         | 10         |
| 20 | Separate financial statements (IAS 27)               | 2          | 4          | 22         |
| 21 | Statement of cash flows and related matters (IAS 7)  | 8          | 6          | 15         |
| 22 | Variable and contingent consideration                | 5          | 12         | 13         |
|    | <b>„total“</b>                                       | <b>137</b> | <b>180</b> | <b>337</b> |

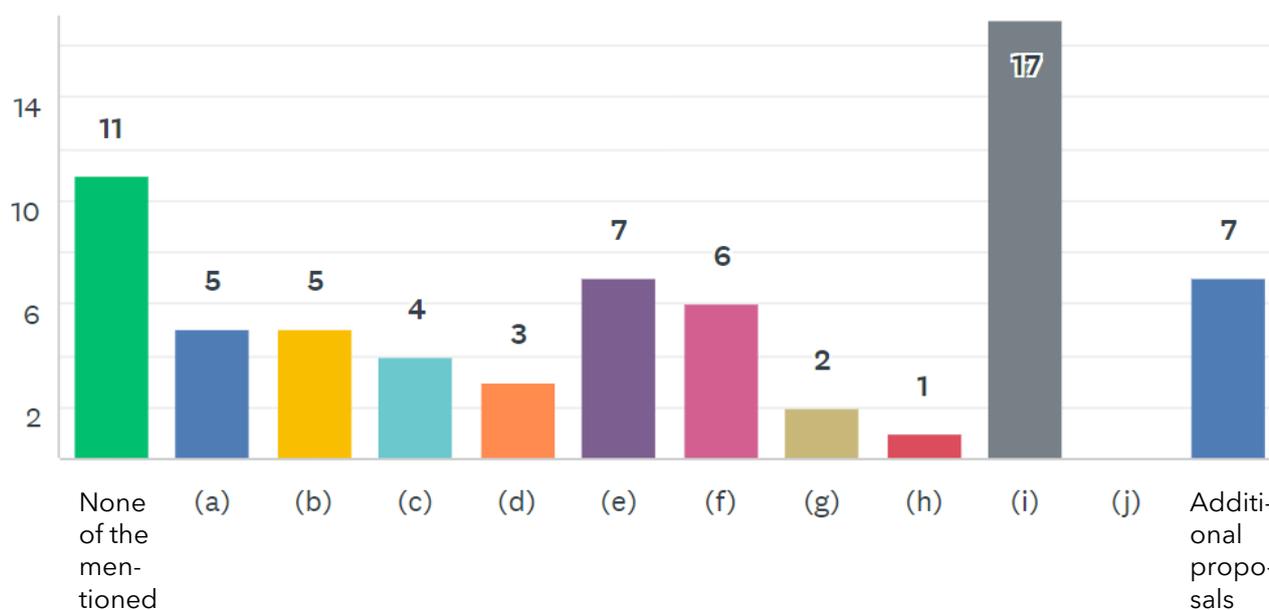
Accompanying verbal feedback primarily underlines the importance of issues #2, #4, and #19 (among which #2 and #19 are partly considered to belong to the sustainability reporting area).

### Q3b: Any other projects (e.g. the 10 proposals in App. C)?

Further potential projects mentioned by the IASB are:

- a) align the **definition of cost** in IFRS Standards
- b) clarify the accounting for **transactions with owners** (including government owners) acting in their capacity as owners
- c) converge **IFRS 13 Fair Value Measurement** with **International Valuation Standards**
- d) develop accounting for **assets acquired at no cost** (from related & third parties)
- e) develop **enhanced disclosures** about the process used in determining materiality, including quantitative thresholds applied
- f) develop standardised **disclosure of financial ratios** with numerators and denominators based on line items presented in the primary financial statements
- g) review the **accounting for shares bought back** to replace shares granted in share-based payment transactions
- h) **review IAS 33 Earnings per Share** in the light of changes to the business environment and the Conceptual Framework for Financial Reporting
- i) **review IAS 36 Impairment of Assets**
- j) review **IAS 41 Agriculture**, focusing on immature biological assets that cannot be sold in their current condition

34 answers (7 have skipped):



The 7 „additional proposals“ mainly relate to the issue of goodwill amortisation and the (increasing) significance of intangible assets.

### Q4: Any other comments?

There were 5 comments, primarily addressing limited resources for preparers as well as the need to coordinate standard-setting for financial reporting topics with standard-setting for non-financial reporting issues. However, these comments have already been raised with, and effectively belong to, issues or questions in previous sections of the survey.