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Our ref RD/288

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Dear Mr. Barckow

Comment letter on the Request for Information *Third Agenda Consultation*

We appreciate the opportunity to comment on the International Accounting Standards Board's (the Board's) Request for Information *Third Agenda Consultation*. We have consulted with, and this letter represents the views of, the KPMG network.

As the Board takes a fresh look at its 'to do' list for 2022–2026, the news headlines are dominated by the COVID-19 pandemic and climate-related matters. The COVID-19 pandemic has put some old IFRS standards in the spotlight, and sustainability and climate change are driving the global agenda. More than that, since the previous agenda consultation, the pace of change has accelerated and the world around us is becoming increasingly dominated by intangible assets. All these factors may drive the shift of focus from the familiar financial reporting matters and re-shape the 2022–2026 agenda as the Board's work plan and activities will need to keep up with the rapidly changing world.

Climate-related matters and sustainability reporting

Climate-related matters are high on the agenda of the users of financial statements and public in general. They cut across various areas of financial reporting and are subject to continuous developments as governments across the world introduce new measures to curb emissions of pollutants. We believe that it is critical for the Board to prioritise this area focusing, as a starting point, on a set of principles for polluting pricing mechanisms and on enhancing disclosures about climate-related risks.

In addition, the IFRS Foundation is busy setting up the new International Sustainability Standards Board (ISSB Board) and the IASB's Board agenda and activities are likely to be impacted by the related developments.

To ensure efficiency, it will be important to set robust processes for the two Boards to work together – supporting and leveraging from each other without duplicating efforts. Also, it will be important to set clear boundaries in the cross-cutting areas and define responsibilities. For example, management commentary currently falls within the remit of the IASB Board. However, certain aspects of the management commentary may be subject to developments at the new ISSB Board.

We understand that there are no immediate plans to significantly increase resources and the existing IASB staff will support the new ISSB Board. This means that resources available for the IASB Board's projects will ultimately decrease. Sustainability and climate change are fairly specialised and fast-developing areas, and we, therefore, believe that the IASB Board may need to draw on additional resources with appropriate expertise – i.e. combining specialist subject-matter knowledge with general standard-setting experience becomes a must-have.

Revising the old standards

We acknowledge the stakeholders' call for a 'period of calm' to help them deal with the recently issued IFRS standards. However, we believe that some old standards – e.g. on intangible assets – are no longer fit for purpose in reflecting the new economic phenomena and need to be revised urgently. In addition, the COVID-19 pandemic highlighted some other areas that may need to be revisited – e.g. going concern disclosures.

Although the Board has made significant progress on the *Disclosure Initiative*, some areas that often get close attention of users and regulators – e.g. the statement of cash flows and disclosures about significant judgments and estimation uncertainties – are still waiting to be addressed and require urgent attention.

Facing resource challenges

As mentioned earlier, the IASB Board is likely to face increased resource challenges, especially when the ISSB Board's activities pick up pace. To help address those, we recommend that the IASB Board consider the following.

- Introduce additional criteria to determine how to prioritise projects with similar characteristics, including urgency and importance.
- Prioritise fewer projects and see them through to completion ensuring that the result is of a high quality. Some matters featured separately in the Request for Information may be considered as separate aspects of a single overall project to ensure that the underlying principles are developed in a consistent and coherent manner – e.g. climate-related risks and pollutant pricing mechanisms; intangible assets, cryptocurrencies and variable consideration.
- Get the scope of a project right – develop principles for scoping a project and consider whether to consult separately on the scope of a project before embarking on it.
- Develop guidelines and processes for dealing with cross-cutting matters – e.g. climate-related risks, cryptocurrencies, pollutant pricing mechanisms.
- Collaborate with others and leverage from their experience. We encourage the Board to seek synergies and consider broader resources of the IFRS community,

work together with others who have the same aspirations. In doing so, the Board should remain the ultimate party in charge of project management and, importantly, quality control.

— Perform a root-cause analysis of inefficiencies. The Board may want to reflect on its recent experience with newly issued standards and amendments to identify the root causes underlying the re-opening of not yet effective requirements – e.g. IFRS 15 *Revenue from Contracts with Customers*, IFRS 17 *Insurance Contracts* and Amendments to IAS 1 *Presentation of Financial Statements*. Such re-workings can consume a significant amount of resources on the part of both the IASB Board and preparers. We recommend assessing how the quality control processes can be enhanced to identify fatal flaws prior to release of a final standard/amendment to minimise the risk of re-opening them shortly after they are issued. In this respect, we also encourage the Board to enhance the process for a fatal flaw review of a near-final standard – i.e. formalise a transparent process that includes reviewers from all relevant stakeholder groups and that clearly demonstrates how fatal flaw comments received have been dealt with in the final drafting.

The Board has a rather long 'wish list' for 2022–2026. To keep the IFRS Standards up-to-date in this rapidly changing world using constrained resources, we believe that the Board should prioritise the following projects:

— climate-related matters, including pollutant pricing mechanisms, and related disclosures;

— intangible assets, including cryptocurrencies and variable consideration;

— disclosures, including those related to going concern, significant judgements and estimation uncertainties; and

— presentation in the statement of cash flows.

We have set out our detailed comments on the agenda priorities and responses to the specific questions in the Request for Information in the appendix to this letter.

Please contact Reinhard Dotzlaw at reinhard.dotzlaw@kpmgifrg.com or Irina Ipatova at Irina.Ipatova@kpmgifrg.com if you wish to discuss any of the issues raised in this letter.

Yours sincerely

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Appendix: Responses to specific questions

Question 1 – Strategic direction and balance of the Board's activities
The Board's main activities include: — developing new IFRS Standards and major amendments to IFRS Standards; — maintaining IFRS Standards and supporting their consistent application; — developing and maintaining the IFRS for SMEs Standard; — supporting digital financial reporting by developing and maintaining the IFRS Taxonomy; — improving the understandability and accessibility of the Standards; and — engaging with stakeholders. Paragraphs 14–18 and Table 1 of the RFI provide an overview of the Board's main activities and the current level of focus for each activity. The Board would like the feedback on the overall balance of main activities. a) Should the Board increase, leave unchanged or decrease its current level of focus for each main activity? Why or why not? You can also specify the types of work within each main activity that the Board should increase or decrease, including your reasons for such changes. b) Should the Board undertake any other activities within the current scope of its work?

We believe that the Board's activities and their balance are largely driven by the Board's 'to do' list and it is rather challenging to consider those in isolation. Therefore, we have focused our response on what we believe should be the key priorities for the 2022–2026 agenda (see Question 3).

Question 2 – Criteria for assessing the priority of financial reporting issues that could be added to the Board's work plan
Paragraph 21 of the RFI discusses the criteria the Board proposes to continue using when assessing the priority of financial reporting issues that could be added to its work plan. a) Do you think the Board has identified the right criteria to use? Why or why not? b) Should the Board consider any other criteria? If so, what additional criteria should be considered and why?

We generally agree with the proposed criteria for assessing the priority of financial reporting issues.

We note that although they are good for ranking projects, the criteria don't deal with the allocation of scarce resources. We, therefore, encourage the Board to consider additional criteria to determine how to prioritise projects with similar characteristics, including urgency and importance, in light of its resource challenges.

In addition, we have drafting comments about Criterion 1 – i.e. the importance of the matter to investors. We note that this criterion previously referred to 'users' rather than 'investors' and that wording was consistent with paragraph 5.4 of the *Due Process Handbook*. We are not sure why the Board has decided to narrow the user group and focus solely on the needs of investors in assessing the priority of financial reporting issues. We would encourage the Board to revert to the drafting referring to the needs of users.

Question 3 – Financial reporting issues that could be added to the Board's work plan
Paragraphs 24–28 of the RFI provide an overview of financial reporting issues that could be added to the Board's work plan. a) What priority would you give each of the potential projects described in Appendix B of the RFI – high, medium or low – considering the Board's capacity to add financial reporting issues to its work plan for 2022 to 2026 (see paragraphs 27–28 of the RFI)? If you have no opinion, please say so. Please provide information that explains your prioritisation and whether your prioritisation refers to all or only some aspects of the potential projects. The Board is particularly interested in explanations for potential projects that you rate a high or low priority. b) Should the Board add any financial reporting issues not described in Appendix B of the RFI to its work plan for 2022 to 2026? You can suggest as many issues as you consider necessary taking into consideration the Board's capacity to add financial reporting issues to its work plan for 2022 to 2026 (see paragraphs 27–28 of the RFI). To help the Board analyse the feedback, when possible, please explain: — the nature of the issue; and — why you think the issue is important.

As noted in our cover letter, the 2022–2026 'wish list' may look rather long and we urge the Board to prioritise fewer projects and see them through to completion at a high quality. To move projects forward efficiently and effectively, the Board may consider a phased approach for some projects addressing more urgent matters earlier in the process.

Although we have identified a number of projects as being of high priority, we believe that some of them may not require significant time or resources. We have identified those as 'quick fixes' in the summary below.

High priority projects

Project	Scope and approach	Rationale
Climate-related matters, including pollutant pricing mechanisms	**Large** Comprehensive cross-cutting project that may be carried out in phases. The scope of and the approach to the project may be impacted by the developments at the ISSB Board **Areas to address** — *Pollutant pricing mechanisms:* Develop a set of principles that can be applied to different existing schemes and schemes that may be introduced in the future. — *IAS 36 Impairment of Assets:* Develop guidance on how to reflect the impact of climate-related matters (i.e. climate-related risks and opportunities) in value in use and fair value less costs of disposal. Enhance the related disclosure requirements. — *Educational material:* Develop more robust educational material with some illustrative examples on how to reflect climate-related risks and opportunities in the financial statements – e.g. in determining the recoverable amount. We note that the Board has considered other alternatives for this project. We do not believe that a potential change in the threshold in paragraph 125 of IAS 1 or the suggestion to clarify only paragraph 33(b) of IAS 36 would address users' information needs or stakeholders' concerns that climate-related risks may not be fully considered in areas of financial statements that require estimates of the future. For further details, see our comments for a	As noted in the cover letter, climate change is an area of urgent global attention. Governments across the world are introducing new schemes aimed at capping emissions and incentivising investment in green initiatives, and there is diversity in accounting for those. There is a need for a set of principles to apply to a large number of different (existing and future) schemes that would provide consistent and comparable information to the users of the financial statements. We also agree with the Board that it is necessary to enhance the requirements in IAS 36. This is because reflecting the impact of climate change (climate-related risks and opportunities) in value in use and fair value less costs of disposal is very challenging – e.g. there may be diverging views on how to reflect the impact of climate-related risks in the discount rate used in the valuation, or how to reflect such risks and opportunities in determining the terminal value.

Project	Scope and approach	Rationale
	project on *Disclosure of significant judgements and estimates*.	
Intangible assets, including crypto-currencies and variable consideration	**Large** Comprehensive review of IAS 38 *Intangible Assets*. A comprehensive review is likely to be more effective than an asset-by-asset approach for emerging new assets which did not exist and were not considered when IAS 38 was developed. We believe that it is important to appropriately scope the project in order to efficiently and effectively update IAS 38 to address new (and future) technological developments – e.g. given the trend of digitalisation. A phased approach could be followed to address more urgent items earlier in the process – e.g. cryptocurrencies and related transactions. **Areas to address** — Definition of intangible assets. — Cryptocurrencies and related transactions. — Variable and contingent consideration.[1]	As acknowledged in the Request for Information, IAS 38 was one of the few standards highlighted by many stakeholders as not fit for purpose. There are an increasing number of questions about how to deal with new-age intangible assets and digitalisation, which IAS 38 did not envisage when it was developed. In addition, recent IFRS Interpretations Committee's (Committee's) agenda decisions highlight the challenges in applying IAS 38 and often refer to requirements in other newer standards for guidance (e.g. IFRS 15 or IFRS 16 *Leases* in the March 2019 and April 2021 decisions on cloud computing).
Statement of cash flows and related matters	**Large** Comprehensive review of IAS 7 informed by an outreach with investors as to what information they need. Considering the extent of the requirements in IAS 7, a comprehensive review of this standard, although large, is likely to be a comparatively smaller project than	We believe that the statement of cash flows has been an area of increased focus by regulators and there are often diverging interpretations in practice (e.g. non-conclusive discussions by the Committee). We are also aware that investors are indicating that they are not getting the information

[1] If cryptocurrencies and variable consideration were separate projects, then we would rank each of them as a medium priority.

Project	Scope and approach	Rationale
	other large projects such as the one related to IAS 38 discussed above. **Areas to address** — *Criteria for cash and cash equivalents:* Definition of cash equivalents is currently open to different interpretations (e.g. investments in money market funds). — *Non-cash financing arrangements:* Given the increased number of such arrangements, consider how the related cash flows should be classified/disclosed based on a coherent set of principles (e.g. factoring and reverse factoring arrangements). — *Restricted cash:* Provide guidance on presentation of restricted cash in the statement of cash flows. — *Netting:* Provide enhanced guidance on netting and confirm with investors if existing requirements in IAS 7 for netting are appropriate or result in a loss of useful information.	that they need on this important aspect of performance. In addition, the proposed amendments to IAS 7 in the ED on *Primary Financial Statements* were rather limited and it is a missing part of the *Disclosure Initiative*.
Going concern	**Medium-sized** Targeted project – quick fix. **Areas to address** — Enhanced going concern disclosure requirements. — Better alignment of IAS 1 requirements with auditing standards (e.g. the length of going concern look-forward period). We do not believe that it is necessary for the Board to invest time in developing a specific basis of accounting that applies when a company is no longer a going concern. A clarification that relevant IFRS	The COVID-19 pandemic has highlighted the need to enhance disclosures relating to going concern. In particular, we question if paragraph 122 of IAS 1 referred to in the July 2014 Committee's agenda decision is an adequate technical reference considering that judgements regarding the going concern assessment would not have an effect on the amounts recognised in the financial statements. We also believe that more guidance with respect to information to be disclosed in a 'material uncertainty' and a 'close call' scenario would be helpful (at a

Project	**Scope and approach**	**Rationale**
	Standards continue to apply in such circumstances could be sufficient.	minimum, to align the requirements with auditing standards).
Add: Disclosure of significant judgements and estimates	We believe that this project should be part of the Board's efforts to address disclosure problems and needs to be considered in developing the general approach to disclosure requirements.	We recommend the Board add this project to the agenda. We believe that companies' disclosures under paragraphs 122 and 125 of IAS 1 are often boilerplate. Developments to date under the *Primary Financial Statements* project or *Disclosure Initiative* have not focused on improving these requirements – they are also not in the scope of the ED *Disclosure Requirements in IFRS Standards – A Pilot Approach*. In our experience, preparers are confused about the purpose of these disclosures (as IAS 1 itself does not explicitly provide any objectives) and how they interact with disclosure requirements in other standards. For example, paragraph 124 of IAS 1 recognises that some of the disclosures made in accordance with paragraph 122 of IAS 1 are required by other standards – e.g. paragraph 123 of IFRS 15. Further, users often seem confused by different judgements and assumptions being used in the context of the impact of climate-related matters on the financial statements in comparison to disclosures in the front part of an annual report (or in a separate sustainability report). We think that it would be helpful for this aspect to be addressed in a project on disclosure of significant judgements and assumptions.

Medium priority projects

Project	Scope and approach	Rationale
Borrowing costs	**Medium-sized** Comprehensive review of IAS 23. In addition to the matters identified in the Request for Information, we recommend that the Board address the question of whether and when gains or losses on modification should be capitalised.	We believe that IAS 23 is outdated and creates significant issues in practice. It has not changed significantly whilst other related standards have evolved.
Discontinued operations and disposal groups	**Medium-sized** Comprehensive review considering the number of application issues, including those previously discussed by the Committee. **Additional areas to address** — Clarify the concept of 'principally through a sale rather than through continuing use' in paragraph 6 of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. — Clarify the interaction between IFRS 5 and IFRS 15 – e.g. whether the contract assets are within the measurement scope of IFRS 5. — Clarify the interaction between IFRS 5 and IFRS 16, including recent application issues such as: - whether finance lease receivables are in the measurement scope of IFRS 5; - whether a right-of-use asset classified as investment property in a finance lease should be classified as held-for-sale; and - whether the underlying asset in a sale-and-leaseback transaction should be classified as held-for-sale on the basis that the carrying amount of this	We have mixed views on this project. Some believe that the current ambiguity of IFRS 5 requirements results in diversity in practice. They note that the issues raised with the Committee and referred to the Board have not been resolved for a long time. They also acknowledge that IFRS 5 has many problems and is not easy to apply in practice. However, others believe that this has been the case for a long time, and the accounting profession has dealt with it – i.e. the practice has largely settled down. Therefore, we believe that this project is of a lower priority than some of the other pressing matters.

Project	Scope and approach	Rationale
	asset will be recovered principally through a sale transaction rather than through continuing use.	
Government grants	**Small** Targeted project. **Areas to address** — Definition of a government grant and guidance on determining if a specific item is a government grant, revenue transaction, reimbursement or something else. — Scope of IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*. For example, investment tax credits are scoped out of IAS 20 and IAS 12 *Income Taxes* and companies generally account for them applying IAS 20 or IAS 12 by analogy based on the nature of the scheme. This results in different recognition, measurement, presentation and disclosure outcomes. — Presentation options in the standard, which cause users' concerns and may need to be eliminated.	We have mixed views on this project. Some believe that governments in many jurisdictions are unlikely to introduce significant government grant programmes in the future given the unprecedented amount of government support during the pandemic. As a result, by the time the Board is likely to complete a potential project on government grants, there may be no grants to account for. However, others believe that in their jurisdictions this is likely to be relevant for some time and the Board should prioritise the review of this old standard. Therefore, we believe that this project is of a lower priority than some of the other pressing matters.
Commodity transactions	**Large** Broader project on commodity transactions. We believe that issues related to crypto-assets may be potentially addressed as part of the intangible assets project. One of the key areas for the Board to address within this project is how to account for crypto-liabilities (e.g. whether they should be in the scope of IFRS 9).	There is diversity in practice in relation to accounting for non-financial items in the scope of IFRS 9. However, that practice has largely settled down and we don't think that commodities in isolation is a high priority matter. As a result, we believe that this project is of a lower priority than some of the other pressing matters. See our comments on the 'climate-related matters' project regarding

Project	Scope and approach	Rationale
		the pollutant pricing mechanisms, and the 'intangible assets' project regarding the cryptocurrencies and related transactions – crypto-assets.
Inflation	**Small** Targeted project. **Areas to address** — Consider whether IAS 29 *Financial Reporting in Hyperinflationary Economies* could be extended to include economies subject to high inflation. — Consider extending the scope of IAS 29 to cover presentation currencies that are hyperinflationary.	We partly agree with the Board's analysis of the issue. In our experience, there are a number of issues related to the scope of IAS 29, which is very restrictive. As a result, we believe that opening up the scope to presentation currencies that are hyperinflationary or to scenarios in which high inflation has prevailed for a long term would resolve many of these issues. We believe that this project is of a lower priority than some of the other pressing matters.
Employee benefits	**Medium-sized** Targeted project. **Areas to address** — *Discount rates:* If this project is added to the agenda, then we believe that it should take a broader look at the discount rate requirements. In particular, review the requirement for the rate to be unbiased. This requirement causes issues with the acceptability of new approaches developed by actuaries, unlike US GAAP which allows those. — *Hybrid plans:* Currently, plans are classified as defined benefits plans as soon as there is any risk exposure under the plan. This potentially results in plans under which the company has minimal risk or shared risks being classified as defined benefit plans, so a project on this topic could be beneficial to allow companies to	We don't believe that there are significant issues with IAS 19 *Employee Benefits*. However, there could be benefits in addressing specific matters related to discount rates and hybrid plans. As a result, we believe that this project is of a lower priority than some of the other pressing matters.

Project	Scope and approach	Rationale
	better illustrate their risk exposure in respect of so called hybrid plans. However, given the outcome of previous attempts in this area and the delays on the current project in respect of plans that depend on asset returns, we agree that it would be a long-term project. Also, if a project on this topic is taken up, then the current project on plans that depend on asset returns should be merged into this project.	
Other comprehensive income	**Large** Comprehensive project. Apply the principles for the classification of income and expenses in other comprehensive income (and recycling) in the *Conceptual Framework* to IFRS Standards. We believe that sound conceptual principles of performance are essential to guide the Board in future projects. It will also lead to a rational basis for a distinction between profit or loss and OCI and address the issue of recycling. We also believe that the project should deal with a question of whether a business model has a role to play in performance reporting in general, and more specifically in recognition, measurement, and presentation and disclosure.	As emphasised in our comment letter on the Exposure Draft of the *Revised Conceptual Framework*, there is a need for a proper debate around the notion of 'performance'. However, considering that the practice has largely settled and there are more pressing matters, we believe that this project is of a lower priority.
Add: Interaction between IFRS 9 and other IFRS standards	**Medium-sized** Targeted project. Consider the interaction between IFRS 9 and other IFRS standards. **Areas to address** We believe that some of these areas can be addressed as part of the post-	We recommend the Board add this project to the agenda. We believe that interaction between IFRS 9 and other IFRS standards poses challenges in practice and is open to diverse interpretations. However, we believe that this project is of a lower priority than some of the other pressing matters.

Project	Scope and approach	Rationale
	implementation reviews of IFRS 9, rather than require a separate project. — Interaction with IAS 10 *Events after the Reporting Period:* - making estimates of cash flows at the reporting date (under paragraph B5.4.6 and for the ECL); - distinguishing between adjusting vs. non-adjusting events; and - clarifying what an 'event' is for the purpose of IAS 10. — Interaction with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets:* Changes to laws that change the contractual terms of financial assets: - which standard to apply; and - if IFRS 9 applies, then the timing of accounting. — Interaction with IFRS 2 *Share-based Payment:* For example, accounting issues related to the increasing use of special purpose acquisition companies ('SPACs'). — Interaction with IFRS 16: The accounting for lease modifications by lessors and lessees.	

Low priority projects

Project	Scope and approach	Rationale
Separate financial statements	**Small to medium-sized** Targeted project. Consider developing enhanced disclosure requirements for separate financial statements or address some of the specific application questions separately.	In our experience, this issue may be prevalent only in some jurisdictions where separate financial statements under IFRS Standards are commonly used. A number of jurisdictions use local GAAP for separate financial statements making this matter less pervasive. In addition, the practice on many of the issues highlighted in the Request for Information has largely settled down.
Expenses – Inventory/cost of sales	**Small** Targeted project. **Areas to address** *NRV guidance:* Principles for determining estimated costs to complete and costs to sell inventory (the recent Committee's agenda decision does not address this matter). This will improve comparability and require significantly less resources than a comprehensive overhaul of the inventory requirements.	We appreciate comments about diversity in practice in accounting for inventory across different industries. We believe that although the accounting may vary from industry to industry, the practice has largely settled down within individual industries and the users of the financial statements are familiar with the practices. As a result, the benefits of a comprehensive overhaul of inventory and cost of sales guidance may not justify the costs needed to develop and implement any new requirements.
Discount rates	**Small** Targeted project. **Areas to address** — IAS 19: See our comments on *Employee benefits* project. — IFRS 17: Provide further guidance on how to: - determine the risk-free interest curve (an input to one IFRS 17 discount rate methodology)	We believe that an overhaul of the requirements related to discount rates across all the standards is not necessary and it may be challenging to develop an overarching concept. Therefore, we believe that this project is of a lower priority than some of the other pressing matters.

Project	Scope and approach	Rationale
	when there is no active market (last liquid point); and - extra-/interpolate to an ultimate forward rate.	
Negative interest rates	No preferred approach.	We note that many discount rates used in measurement under specific standards include premiums, and therefore are not negative. We also believe that by the time the Board develops a solution for negative interest rates, the issue may no longer be relevant because we are likely to face the increased rate of inflation as governments around the world may need to borrow more to cover the pandemic spend – i.e. they are likely to increase the rates on government bonds to attract investors.
Foreign currencies	No preferred approach.	We do not think that issues highlighted by the Board in the Request for Information require specific attention at the moment as we have identified few widespread practice issues.
Income taxes	**Small to medium-sized** Targeted project. **Areas to address** — Tax uncertainties: Enhance disclosure requirements. — Educational materials on: - recoverability assessment of deferred tax asset; - hybrid taxes;	We believe that there is no need for a comprehensive overhaul of income tax accounting. We appreciate that there may be some concerns on conceptual grounds, but it works, and the practice has settled down.

Project	Scope and approach	Rationale
	- compound financial instruments; - tax base of liabilities; and - interaction with other standards (namely IAS 34 and IFRS 5).	
Operating segments	We do not support any of the proposed alternatives for a project discussed in the Request for Information. Instead, we believe that the Board should focus on implications of technological developments on IFRS 8 *Operating Segments* – e.g. with increased data mining capabilities, management information is less and less static. The Board could possibly redefine what 'regularly reviewed by the CODM' means given technological developments.	Considering the outcome of the post-implementation review of IFRS 8, we do not believe that a project on operating segments should be added to the agenda. In addition, we note that some of the suggested additional minimum disclosures discussed in Request for Information may be viewed as contrary to the objective of IFRS 8 – i.e. arguably, KPIs are company-specific and prescribing minimum KPIs would not be consistent with the way that management perceives their KPIs.
Interim financial reporting	We do not support any of the proposed alternatives for a project discussed in the Request for Information. Some of the non-urgent improvements in this area may focus on the conflicts or lack of alignment between IAS 34 and IFRS 16 – e.g. treatment of variable lease payments based on sales in interim financial statements. This could be a small project, perhaps as part of the Annual Improvements.	We believe that the requirements in IAS 34 *Interim Financial Reporting* are clear. Most diverging interpretations may be driven by established practices based on legacy GAAPs.

Question 4 – Other comments
Do you have any other comments on the Board's activities and work plan? Appendix A of the RFI provides a summary of the Board's current work plan?

We have no additional comments to make.