



« Normes comptables européennes : l'EFRAG après le rapport Maystadt, nouvelle feuille de route avec Jean-Paul GAUZES »

Paris, le 23 février 2017

**Développer et promouvoir une « smart regulation »
à travers l'échange entre régulateurs et régulés**

Prochains évènements

<p>Matinale - Bâle III et Solvabilité 2 : des similitudes mais aussi de profondes différences avec Bernard Delas</p>	<p>28 février 2017 Paris</p>
<p>Atelier - Gestion des réclamations et médiation : des procédures renforcées</p>	<p>7 mars 2017 Paris</p>
<p>Matinale - Risk appetite : Quelle contribution de la gouvernance ? Un retour d'expérience avec Éric Lamarque et Florian Marsaud</p>	<p>16 mars 2017 Paris</p>





European Financial Reporting Advisory Group ■

EFRAG's mission, structure and current agenda

Outline

- Mission, activities and structure
- Contributing to the development of IFRS
- Proactive (research) projects
- Endorsement advice



EFRAG mission, main activities and structure

EFRAG's mission

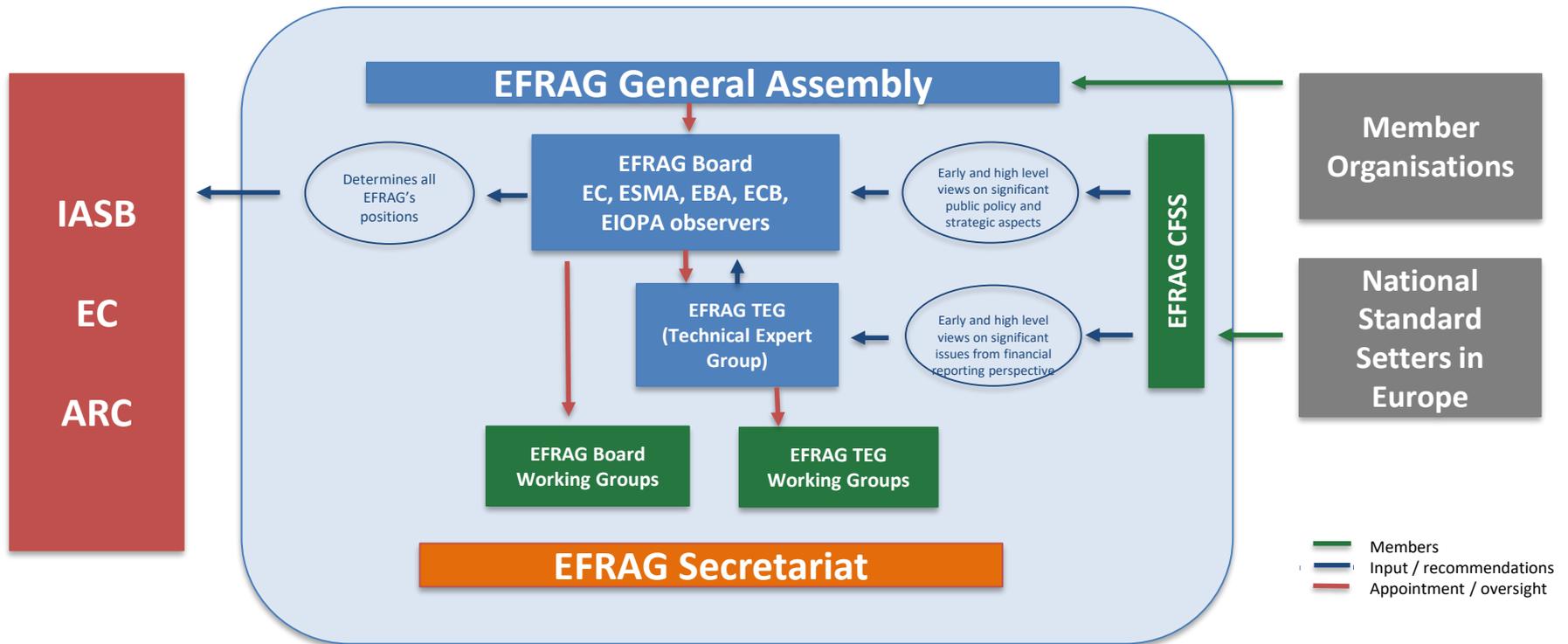
- Developing and promoting European views on and ensuring these views are properly considered in the IASB standard-setting process and related international debates (be recognised as **European voice** on financial reporting)
- Advising European Commission on whether new IFRS should be endorsed in Europe (including whether conducive to the **European public good**)

EFRAG serves the European public interest through a strong commitment to transparency, governance and due process

EFRAG's main activities

- **Comment letters** on all IASB proposals (DPs, EDs, RFIs etc)
- **Continuous contribution** to all IASB active standard-setting and research projects
- Engaging European stakeholders in **proactive (research) projects**
- Providing **endorsement advice** to the EC on whether new IFRS Standards, Amendments and Interpretations are meet the criteria for use in Europe (including whether conducive to the European public good)

EFRAG structure and governance



EFRAG Board

- EFRAG Board **decides EFRAG positions**
- EFRAG Board comprises 17 members:
 - 8 representatives of **European organisations** (Preparers, Auditors, Users)
 - 8 representatives of **NSS** (currently Denmark, France, Germany, Italy, Luxembourg, Netherlands, Sweden, UK)
 - **President** nominated by the European Commission
- European Commission, ECB, and European Supervisory Authorities (EBA, EIOPA, ESMA) are official **observers**

EFRAG Technical Expert Group

- EFRAG Technical Expert Group (TEG) provides **advice to EFRAG Board** on technical matters
- EFRAG TEG comprises **16 members**
 - appointed by the EFRAG Board
 - including liaison members nominated by NSS of France, Germany, Italy and UK
 - Specialist **Working Groups** (Insurance, Financial Instruments, Rate-regulated Activities) provide input to EFRAG TEG
- Consultative Forum of Standard Setters (**CFSS**) to obtain input from broader group of European NSS



Contributing to the development of IFRS

Comment letters to IASB

- Objective: **best possible standard** from a European perspective
- Monitoring IASB's work **throughout the project**
- Extensive **due process** in reaching a position:
 - Draft EFRAG comment letter early in IASB's exposure period,
 - Outreach, field-tests for major standards
 - Final comment letter sent to the IASB
 - Feedback statement to constituents

Recommending changes does not necessarily mean the IASB proposal would 'fail' the endorsement criteria

Continuous contribution to IASB active projects - examples



Project	IASB status	EFRAG activities
Insurance Contracts	Active project (IFRS expected May 2017)	Analysis of results of field-testing, preparing for endorsement phase
Macro-hedging	Research (2 nd DP expected timing TBD)	Fact-finding to understand how banks model their structural balances to stabilise interest margin (input to IASB dynamic risk management project)
Conceptual framework	Revised Framework expected H2 2017	Monitoring IASB's redeliberations, developing proposals for improving the measurement chapter
Rate-regulated activities	Active project (2 nd DP expected 2017)	Monitoring IASB's and others' work, testing IASB staff model against European regulatory regimes

Continuous contribution to IASB active projects – examples contd.



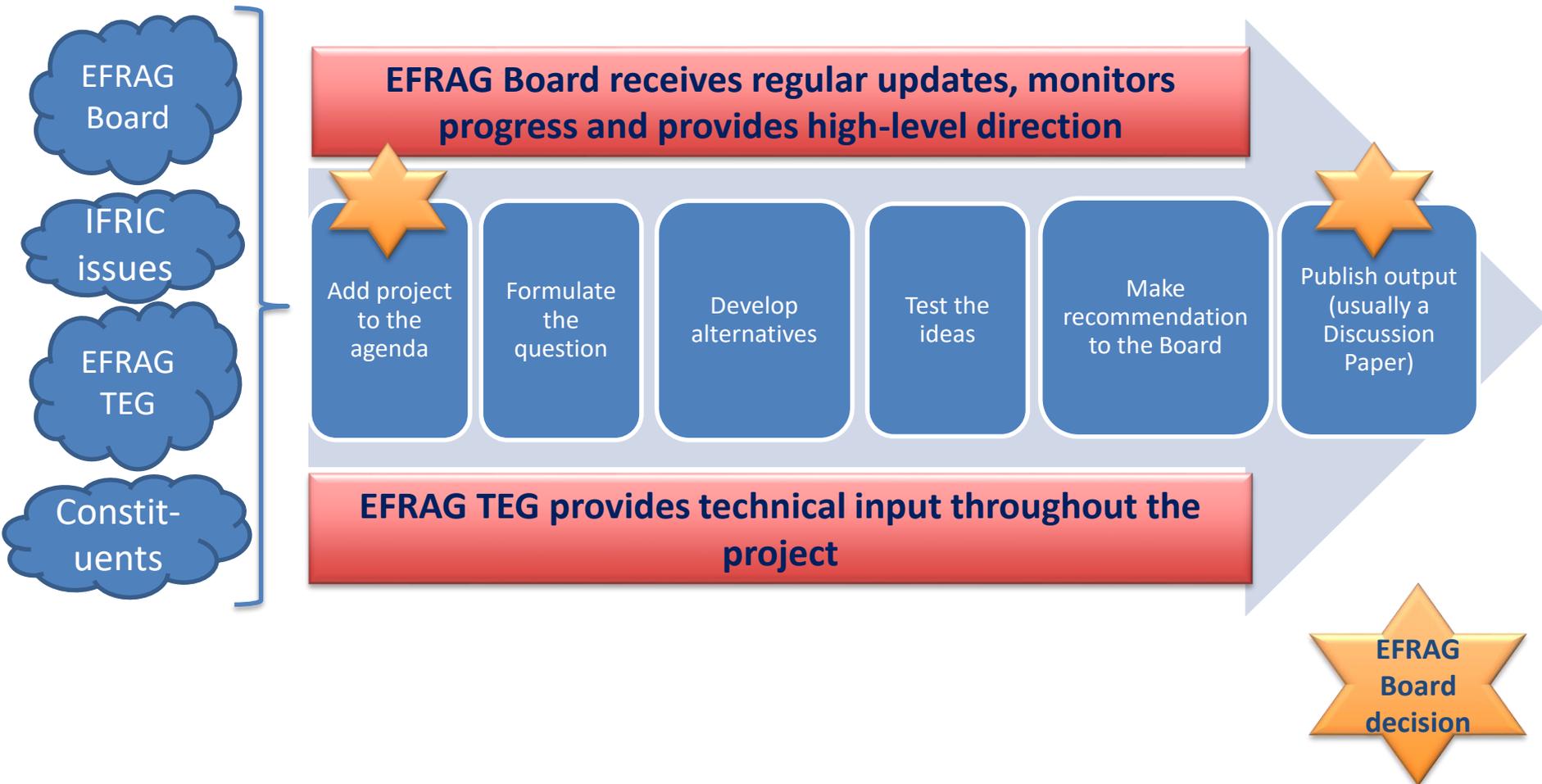
Project	IASB status	EFRAG activities
Financial instruments with characteristics of equity	Research (DP expected 2017)	Monitoring IASB's work, assessing extent to which this will address European concerns
Principles of disclosure	Active project (DP expected 2017)	Active monitoring

And active involvement in other IASB activities such as post-implementation reviews



EFRAG proactive (research) work

EFRAG proactive work process



EFRAG current projects



Topic	Objective of the project
Goodwill and impairment	<p>Identify possible improvements in the <i>subsequent accounting</i> for goodwill.</p> <p>The project considers possible improvements to the impairment test.</p>
Equity instruments – recycling and impairment	<p>Identify possible impairment models for equity instruments under IFRS 9.</p> <p>This could open the possibility to reconsider the prohibition of recycling of disposal gains for equity instruments designated at FVOCI.</p>

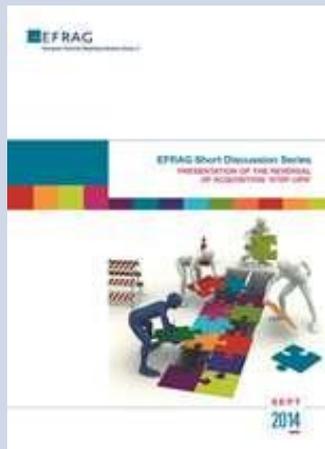
EFRAG current projects



Topic	Objective of the project
Accounting effects of low and negative interest rates	Assess accounting effects of low and negative market rates and whether any changes in accounting standards should be considered
Pensions	Assess need for changes to IAS 19 in relation to so-called hybrid plans
Transactions other than exchanges of equal value	Consider alternative accounting approaches for transactions not involving an exchange of equal value (scope expected to include direct and indirect taxes, Government grants and donations)

EFRAG previous proactive projects

Previous EFRAG proactive projects



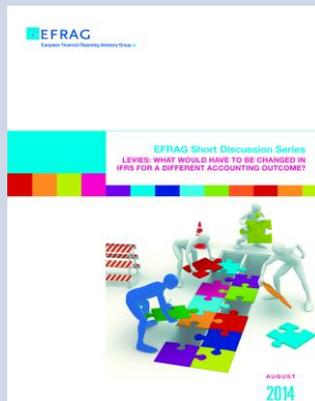
The Statement of Cash Flows: issues for financial institutions

Towards a Disclosure Framework for the Notes

Short Discussion Series: Levies

Quantitative study on Goodwill and impairment

Classification of claims



The Role of Business Model in Financial Statements

Short Discussion Series: the Equity Method

The Conceptual Framework Bulletin series

Dynamic Risk Management: How do Banks Manage Interest Rate Risk?

A decorative graphic consisting of a horizontal bar with various colored segments (pink, blue, yellow, green, orange, red, teal, yellow, pink, purple, orange, blue) and a vertical bar on the left side with similar colors, creating a stepped effect.

Endorsement advice

EFRAG's role in endorsement



- Receives EC request for advice
- Assesses whether the IFRS:
 - Meets specified technical criteria
 - Is conducive to the European public good (impact analysis for major Standards)

Advises

European Commission (initiates endorsement procedure)

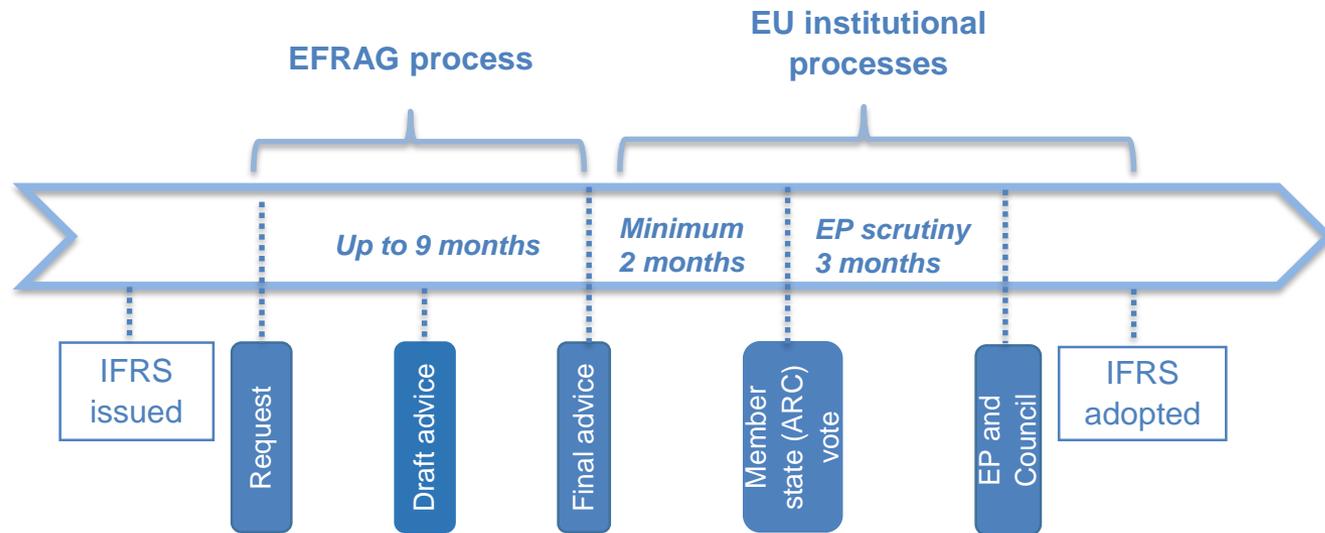
Informs/
discusses

Member states - Accounting Regulatory Committee (votes)

European Parliament (scrutinises and can object to endorsement)



Endorsement timeline (simplified)



Endorsement status/progress

Standard	IASB's publication date	EFRAG's endorsement advice		Endorsement*
		Draft	Final	
IFRS 15 <i>Revenue ...</i>	May 2014	Oct 2014	March 2015	Sept 2016
IFRS 9 <i>Financial Instruments</i>	July 2014	May 2015	Sept 2015	Oct 2016
<i>Applying IFRS 4 with IFRS 9</i>	Sept 2016	Nov 2016	Jan 2017	TBD
IFRS 16 <i>Leases</i>	Jan 2016	Oct 2016	March 2017	TBD



* *Final endorsement is on publication in the Official Journal of the EU*

Thank you for your attention!



And now ... Questions? ... and answers...

www.efrag.org



EFRAG receives financial support of the European Union-DG Fisma.

The contents of this presentation is the sole responsibility of EFRAG and can under no circumstances be regarded as reflecting the position of the European Union.