



EFRAG UPDATE

August 2021

The EFRAG Update is published on a monthly basis to inform constituents about due process publications, public technical discussions held and decisions taken during that month.

Coronavirus – Update on EFRAG’s meetings and events

EFRAG will continue to monitor the impact of COVID-19 pandemic on its activities recognising the circumstances and priorities of our stakeholders and adapt its activities accordingly:

- All EFRAG public meetings of the EFRAG Board, EFRAG TEG and EFRAG CFSS are turned into webcast meetings until further notice. Due to the particular circumstances, the meetings have been shortened and the frequency has been increased. Digital access to these public meetings is provided as usual;
- All EFRAG public events and outreaches take place into electronic format (see below) until further notice;
- EFRAG has adjusted the timelines of several of its projects taking into account the priorities of its stakeholders during the pandemic and is flexible in obtaining input through outreaches, field tests and other means, recognising the availability and individual circumstances of the stakeholders concerned. Input of stakeholders is an essential part of EFRAG’s due process as public interest organisation.

EFRAG staff is working from home but is gradually coming back to the office and is contactable by email, Teams or phone.

The EFRAG offices are open for visitors.

You can find contact details [here](#).

PUBLICATIONS

Draft Comment Letter

On 5 August 2021, EFRAG published its Draft Comment Letter in response to the IASB’s Exposure Draft *Initial Application of IFRS 17 and IFRS 9 - Comparative Information (Proposed amendment to IFRS 17)* and seeks constituents’ views on the proposals. Comments are requested by **15 September 2021**.

For more details, please see the [EFRAG website](#).



Discussion Paper

On 27 August 2021, EFRAG published a [Discussion Paper](#) *Better information on intangibles – which is the best way to go?* on different possible approaches for better information on intangibles. EFRAG is asking constituents whether preparers can provide better information on intangibles, and if so, how. Comments are welcome **by 30 June 2022**.

For more details, please see the [EFRAG website](#).

WEBINARS AND ON-LINE OUTREACHES

REMINDER: Joint webinar - IASB's Agenda Consultation and EFRAG's Proactive Research Agenda - 9 September 2021 16:00 to 18:00 (CET)

On 9 September 2021, EFRAG, Accountancy Europe, BusinessEurope, EFFAS and IASB will host a [joint outreach event](#) on the IASB's Third Agenda Consultation and EFRAG's Proactive Research Agenda.

You can register [here](#).

For more details, please see the [EFRAG website](#).

REMINDER: Invitation to participate in EFRAG's field-test on ED/2021/3 Disclosure Requirements in IFRS Standards (Proposed Amendments to IFRS 13 and IAS 19)

EFRAG, in close coordination with EFRAG Member Organisations, other European National Standard Setters and the IASB, is conducting field-testing of the proposals in the IASB's exposure Draft *Disclosure Requirements in IFRS Standards (Proposed Amendments to IFRS 13 and IAS 19)*.

Field testing has started and will be carried out until **25 October 2021**. Companies can still indicate their interest in participating in the field test by sending an email to Disclosureinitiative-pilot@efrag.org until **10 September 2021**.

For more details, please see the [EFRAG website](#).

Summary report – Joint Webinar: Business Combinations Under Common Control – Perspectives from Portugal

Following the successful public joint webinar on *Business Combinations Under Common Control*, held on 8 July 2021 with CNC, OROC and the IASB, EFRAG issued a [summary report](#). In this webinar, Portuguese and European stakeholders expressed their views on the IASB's Discussion Paper and EFRAG's Draft Comment Letter.

The event recording is available [here](#).

For more details, please see the [EFRAG website](#).



OPEN CONSULTATIONS

Title and description	Closing date
EFRAG Draft Comment Letter on the IASB Exposure Draft <i>ED/2021/8 Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Proposed amendment to IFRS 17)</i>	15 September 2021
EFRAG Public Consultation Paper <i>Due Process Procedures for EU Sustainability Reporting Standard-setting</i>	15 September 2021
EFRAG joint consultation on the IASB's future agenda and on EFRAG's Proactive Research Agenda	17 September 2021
EFRAG Survey relating to the IASB's future agenda and EFRAG's Proactive Research Agenda	17 September 2021
EFRAG Draft Endorsement Advice on <i>Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)</i>	30 September 2021
EFRAG Draft Comment Letter on the IASB Exposure Draft <i>ED/2021/6 IFRS Practice Statement 1: Management Commentary</i>	15 November 2021
EFRAG Draft Comment Letter and invitation to participate in field-test on the IASB Exposure Draft <i>ED/2021/3 Disclosure Requirements in IFRS Standards—A Pilot Approach</i>	4 January 2022
EFRAG Discussion Paper <i>Better information on intangibles – which is the best way to go?</i>	30 June 2022

For more information please see [EFRAG's consultations page](#).

August 2021 written procedures

The EFRAG Board approved the following document, using written procedures in August:

- EFRAG Draft Comment Letter on the IASB Exposure Draft *ED/2021/8 Initial Application of IFRS 17 and IFRS 9 – Comparative Information*.



Expected September 2021 written procedures

The EFRAG Board is expected to approve the following documents using written procedures in September:

- EFRAG Final Comment Letter on the IASB Exposure Draft *ED/2021/4 Lack of Exchangeability*; and
- EFRAG Draft Comment Letter on the IASB Exposure Draft *ED/2021/7 Subsidiaries without Public Accountability: Disclosures*.



EUROPEAN REPORTING LAB

Development of European sustainability reporting standards

The clusters of the Project Task Force on European sustainability reporting standards (PTF-ESRS) continued all through August 2021 the technical work for the development of draft European sustainability reporting standards. The clusters are currently scoping, researching, documenting and drafting the very first version of the standards, aiming to have a preliminary pre-exposure draft version ready by mid-October 2021.

The preliminary pre-exposure draft version will be submitted for review and input to external expert working groups (Expert WGs) to be set up for this purpose through a [call for candidates issued on 25 August 2021](#). The Expert WGs will be expected to review, provide input and, where necessary, contribute to the work of the PTF-ESRS.

A plenary meeting took place on 31 August 2021 to receive progress updates from each cluster against the agreed work programme.

Following the landmark Statement of Cooperation signed with GRI in July 2021, the PTF-ESRS signed a second Statement of Cooperation at the end of August 2021 with The Shift Project (Shift), with a view to benefiting from Shift's experience in the human rights domain. The PTF-ESRS and Shift will put together their expertise and experience to encourage the swift development of European sustainability reporting standards in the social domain, as well as encourage the progress of converged standards at international level.

The PTF-ESRS is working on establishing additional cooperation arrangements with other leading international initiatives.

Reporting of non-financial risks and opportunities and linkage to the business model

In August, the PTF-RNFRO completed its final report with an expected launch date of late September/early October combined with a virtual launching event.



Other involvement in sustainability reporting – Platform on Sustainable Finance (PSF)

In August 2021, neither the PSF nor its subgroup on Data and Usability (SG5) did hold meetings. EFRAG participated, at the end of August, in a webcast meeting of the ‘Accounting’ work stream of SG5 in which members:

- received a presentation of the Value Balancing Alliance’s *Proposal for a Strategic Disclosure Concept*, and
- discussed next steps for the contribution of the work stream to the Final Report of the PSF.

Next steps

Plenary meetings of the PTF-ESRS are scheduled for 8 and 20 September 2021.

The next meeting of the European Lab Steering Group will be scheduled over the second half of October 2021.