

# **IFRS Foundation Monitoring Board 2020-2021 Work Plan**

February 2020

Capital markets authorities responsible for setting the form and content of financial reporting in jurisdictions where the use of IFRS is mandated or permitted are able to more effectively discharge their mandates regarding investor protection, market integrity and capital formation through the IFRS Foundation Monitoring Board (MB).

The MB plans to conduct the following activities in 2020 and 2021, which encompass three key areas: a) reviewing the Trustees' oversight of the IASB's standard-setting process; b) monitoring and conferring with the Trustees on their responsibilities; and c) the MB's organization and governance activities.

The MB intends to update its work plan periodically and keep stakeholders informed of its areas of focus which enhances both the operational efficiency of the MB and transparency regarding its operations.

## **a) Reviewing the Trustees' oversight of the IASB<sup>1</sup>**

### **(IASB's due process arrangements)**

- The MB plans to continue to monitor the Trustees' plan for the oversight and review of the IASB's due process arrangements, as appropriate.

### **(Agenda referral)**

- The MB will continue its dialogue with the Trustees on accounting matters of broad public interest for consideration by the IASB. Such matters could encompass the following:
  - Monitoring the completion of the 2020 and 2021 Work Plans and priorities (as determined by the 2015 Agenda Consultation) and the 2020 Agenda Consultation process that will result in the 2022-2026 Work Plan and priorities;
  - High quality implementation of existing and new accounting standards, including IFRS 9 on Financial Instruments, IFRS 15 on Revenue, IFRS 16

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<sup>1</sup> Section 10.B. of the Memorandum of Understanding to Strengthen the Institutional Framework of the International Financial Reporting Standards Foundation notes "the IFRSF Monitoring Board may refer accounting issues to, and will confer regarding these issues with, the Trustees and the IASB Chair. In all cases, it is understood that the Monitoring Board will neither influence the decision-making process nor challenge the decisions made by the IASB with regard to its standard-setting".

on Leases and the IBOR reform and its effects on financial reporting and standard-setting projects, including on IFRS 17 on Insurance Contracts, Primary Financial Statements, Goodwill and Impairment, Business Combinations under Common Control, and Management Commentary;

- The IASB's project on better communication in financial reporting and the Disclosure Initiative; and
- Digital reporting and the IFRS Taxonomy.

**(Other)**

- Other Trustee initiatives, where relevant and appropriate, e.g. considerations regarding non-financial reporting.

**b) Monitoring and Conferring with the Trustees on Their Responsibilities**

**(Good governance of the IFRS Foundation)**

- The MB plans to continue its ongoing dialogue with Trustees on its efforts to strengthen the governance framework of the IFRS Foundation and, in particular, the periodic review of the IFRS Constitution;
- The MB will continue to discuss the progress and results of the IFRS Foundation's exercise to identify and evaluate its operational risks, including the development of evaluation metrics and key performance indicators.

**(Financing arrangements)**

- The MB will continue to review the adequacy and appropriateness of the Trustees' arrangements for the IFRS Foundation's funding and share its perspectives with the Trustees, as appropriate.

**(Nomination process)**

- The MB plans to participate and provide input and help to the IFRS Foundation nomination and approval process for Trustee candidates, including its Chair, and the IASB Chair.

**c) Monitoring Board Organization and Governance**

**(Review of existing members)**

- The MB plans to conduct its periodic review of existing MB members, on the basis of the MB membership criteria.

**(Observers)**

- The MB will consider the rotation of two Observers from the IOSCO Regional Committees.

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The activities in the work plan are the responsibilities of the MB specified by the “Charter of the IFRSF Monitoring Board” (hereinafter referred to as the “Charter”), the Memorandum of Understanding to Strengthen the Institutional Framework of the International Financial Reporting Standards Foundation (hereinafter referred to as the “MoU”), decisions made by the MB principals, and the “Final report on the Review of the IFRS Foundation’s Governance” (hereinafter referred to as the “Governance Review Report”).

Section 7 v) of the MoU is the basis for the MB’s work on the Trustees’ oversight of the IASB, including its due process arrangements, section 7 vii) for the agenda referral, section 7 iv) for the MB’s work on the IFRS Foundation's financing arrangement, section 7 i) and ii) for the Trustee nomination process.