



<b>Project:</b>	<b>Income of Not-for-Profit Entities (AASB 1058 and AASB 15 NFP guidance) – narrow-scope amendments</b>	<b>Meeting:</b>	November 2021 (M184)
<b>Topic:</b>	<b>Staff analysis of implementation issues and draft ED</b>	<b>Date of this paper:</b>	26 October 2021
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		<b>Project Priority:</b>	Medium
		<b>Decision-Making:</b>	High
		<b>Project Status:</b>	Initial deliberations

## Objective of this agenda item

1. The objective of this agenda item is for the Board to:
  - (a) **consider** staff analysis and recommendations on implementation issues raised by stakeholders regarding AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* (this agenda paper);
  - (b) **reconsider** the initial measurement requirement of concessionary right-of-use (ROU) assets held by not-for-profit (NFP) lessees (agenda paper 11.2); and
  - (c) **decide** on the next steps.

## Background and reasons for bringing this agenda item to the Board at this meeting

2. Since the release of AASB 1058 and the related AASB 15 not-for-profit (NFP) Australian implementation guidance, staff have considered several implementation issues raised by stakeholders.<sup>1</sup> In response to further stakeholder feedback, staff conducted targeted outreach to understand the prevalence of the issues raised in practice.<sup>2</sup>
3. At the June 2021 Board meeting<sup>3</sup>, staff presented a range of NFP revenue topics raised by stakeholders, and the Board added a narrow-scope short-term project to the workplan. Six issues were discussed at the September meeting, and paragraph 5 summarises the Board's decisions relating to these items.
4. The project's objective is to analyse the remaining issues and recommend potential approaches to address these issues following the AASB's Due Process Framework (DPF) (paras. 7.2.3 and 7.2.4). Possible approaches to address the issues include:
  - (a) **Amending pronouncements** – an issue that can be addressed through an amendment to financial reporting requirements (DPF para. 7.3.3), for example, to address improvements or clarifications identified (DPF para. 7.11.1) in the form of a narrow-

1 Staff paper [5.1 Termination for Convenience Clauses](#) November 2020, staff paper [22.1 Staff FAQ on Research Grants](#) September 2019

2 Staff held 23 discussions with stakeholders (preparers and auditors across not-for-profit public and private sectors) either through individual discussions, via emails or in group sessions.

3 Staff paper [16.1 AASB 1058 Income of Not-for-Profit Entities Targeted Outreach](#)

scope amendment to the mandatory requirements of AASB 15 (*Appendix F Australian NFP implementation guidance*) and/or AASB 1058.

Also, existing illustrative examples can be clarified, and new examples added to further illustrate application of the mandatory requirements of the standards for specific fact patterns. Staff note that the illustrative examples accompanying AASB 15 and AASB 1058 are not integral to these accounting standards. However, staff consider that formal due process, including exposure for comment, should be applied to any amendments to the illustrative examples to enhance stakeholder engagement and feedback further.

- (b) **Interpretation** – if the issue is widespread, leading to diversity in the practice and it is not necessary to change or amend an existing pronouncement (DPF para. 8.4.2). The due process steps for an Interpretation are the same as those for developing a Standard, although typically with shorter timeframes.
- (c) **Agenda Decision** – if the Board decides not to add a topic to the agenda, the Board may decide to formally report the decision as a Board Agenda Decision, sometimes called "items not taken onto the agenda" or "agenda rejection statements". The minutes of meetings record the decisions made, and whether or not a formal Board Agenda Decision is issued (DPF para. 7.2.7).
- (d) **Other education materials and initiatives** – in line with AASB Educational strategy, educational material contributes to the rigour and consistency of accounting standard application. Such material (staff FAQs, "key facts" documents and webinars) does not have the status of a standard or interpretation and cannot add or change requirements in the mandatory pronouncements. However, it is expected to improve the consistency of application of the pronouncements and may be an effective solution that is feasible to develop in the short term. Whilst educational material may be subject to AASB Board review in some circumstances, there is no formal public due process required (DPF para. 9.1).
- (e) **No action taken** as part of this project because:
  - (i) the issue identified is not an issue that can be addressed through amendment to financial reporting requirements or educational material; or
  - (ii) the nature of the issue is beyond the scope and timing of this project (based on the factors listed in DPF para. 7.2.3, such as importance, urgency and complexity of the issue). In these circumstances, the issue is referred to the upcoming post-implementation review (PIR) of AASB 1058 and AASB 15 NFP guidance.

Staff recommendations based on the assessment of potential alternative options to address identified issues, where appropriate, have been included in the analysis below.

5. The Board at its September 2021 meeting considered several implementation issues (sufficiently specific criterion, peppercorn leases cost exemption, upfront payments, principles of the standards, principal vs agency and scope of AASB 15) and decided to:
  - (a) add a narrow-scope project to its work program to consider accounting for right-of-use assets under concessionary leases by not-for-profit entities;
  - (b) add an example to the AASB 15 Australian illustrative examples for not-for-profit entities on the principles to be applied in accounting for upfront payments;
  - (c) amend AASB 1058 Illustrative Example 3A to clarify the analysis regarding the recognition of a financial liability; and
  - (d) develop additional educational material to support consistent application of AASB 15 and AASB 1058 regarding:

- (i) factors to consider in assessing whether a contract has sufficiently specific performance obligations;
  - (ii) principal vs agent considerations;
  - (iii) the principles underlying these Standards and their interaction, to help stakeholders to understand the financial reporting outcomes; and
  - (iv) identifying which Standard applies to various types of income of not-for-profit entities.
6. This paper provides staff recommendations for the remaining five issues presented to the Board at the June 2021 meeting (Capital grants; Grants received in arrears; Enforceable criteria; Documentation; and Termination of convenience clauses).
7. Staff are in the process of drafting amendments to the illustrative examples accompanying AASB 15 and AASB 1058 reflecting the Board's decisions at the September 2021 meeting. Staff will update the working draft of the Exposure Draft to reflect any Board decisions at its November meeting as necessary and will conduct targeted outreach on the drafting after the November meeting. Subsequently, staff will circulate a draft ED for review and approval to the respective Board members following the Due Process Framework and the decisions made at this meeting regarding the next steps.

### **Structure of the paper**

8. This paper is structured as follows:
- (a) Summary of staff recommendations – paragraph 9
  - (b) Staff analysis of issues identified:
    - (i) Capital grants – paragraphs 11–14
    - (ii) Grants received in arrears – paragraphs 15–20
    - (iii) Enforceable criteria – paragraphs 21–26
    - (iv) Documentation – paragraphs 27–31
    - (v) Termination for convenience clauses – paragraphs 32–37
  - (c) Current topics for post-implementation review from this project – paragraphs 38–39
  - (d) Next steps – paragraphs 40–41

### **Summary of staff recommendations**

9. Staff recommend the following:
- (a) Capital grants – educational material (e.g. webinar) on relevant considerations when assessing requirements of AASB 1058 (paragraphs 15–17) and on considerations when assessing transfer of control under AASB 15/AASB 1058;
  - (b) Grants received in arrears – additional educational material (e.g. webinar) on principles contained within AASB 1058 including considerations when assessing when the asset should be initially recognised;
  - (c) Enforceable criteria – educational material (e.g. webinar) on factors to consider when assessing requirements of AASB 15 (paragraphs F10–F18);
  - (d) Documentation – educational material (e.g. webinar) providing examples of documents that may be considered based on the guidance in AASB 15 and associated basis for conclusions.
  - (e) Termination for convenience clauses – no further action to be taken as part of this project.

## **Staff analysis**

10. In addition to the panel's feedback presented at the June 2021 meeting, staff sought views on the matters analysed below from the NFP Project Advisory Panel (Panel) members at the meeting on Monday 18 October 2021. The Panel did not express any specific feedback. Some Panel members noted the educational material on termination for convenience clauses might be helpful. Another Panel member commented that educational materials do not have authoritative status and cannot add or change requirements in the standards.

### **Capital grants**

11. AASB 1058 requires the entity to use the financial asset received to acquire or construct a recognisable non-financial asset to **identified specifications** (AASB 1058, para. 15(a)) (emphasis added). Stakeholders have noted there is no guidance in the Standard or basis for conclusions regarding **how** specific the 'identified specifications' need to be (noting the example of a public housing grant in BC 101). The illustrative examples in AASB 1058 include the following scenarios for the asset:
  - (a) early learning centre to include two rooms for the delivery of the early learning programs (Example 9); and
  - (b) intensive care hospital beds (Example 10).
12. Initial stakeholder feedback indicates two key concerns:

(a) Concern 1: Level of detail required to meet requirements of AASB 1058

Divergent views exist on how detailed the terms and conditions are required for an asset to satisfy the requirements in AASB 1058 paragraphs 15–17. These requirements result in the income recognised over the construction period or on asset acquisition rather than receipt of the funds. For example, there may be differing views on whether a single objective NFP entity that receives funding to construct a building to perform its operations meets the identified specifications criteria or not.

(b) Concern 2: Illustrative examples relating to construction

The two illustrative examples in AASB 1058 referred in paragraph 11 above reflect recognition of the acquisition of the hospital beds and income recognised over time as the early learning centre building is constructed. There are divergent views about whether:

- (a) income relating to construction can always be recognised over the construction period, or
- (b) if the building is not on the land owned by the NFP entity, the income would be recognised once construction is complete.

### Options considered

13. Staff considered whether standard-setting would be appropriate to address the two concerns raised by stakeholders.
  - (a) Concern 1: Staff noted that, for example, Example 10 refers specifically to "... the hospital beds ... that conform identified technical specifications." On the other hand, paragraph BC101 seems to indicate that the Board intention was for the scope of the accounting specified to include transfers such as "a not-for-profit entity whose mission is to provide housing services (receiving) a grant to construct public housing".

An approach identified by staff to help address this concern would be to include the level of specification required in the form of additional application guidance, for example:

- the Standard does not require any specific level of detail of identified specifications and serves as a threshold criterion for the asset identification; or
- the identified specifications need to have sufficient detail to enable assessment similar to the "sufficiently specific" criterion in AASB 15 (noting that, if the identified specifications were sufficiently specific, the contract would be in the scope of AASB 15).

However, on balance, having considered the relatively wide range of specifications included in the Standard and the stakeholder feedback, staff think that providing additional guidance on the specificity of 'identified specifications' is beyond the scope of a short-term narrow-scope project. Accordingly, staff recommend that the addition of any possible guidance should be considered as part of the PIR.

- (b) Concern 2: Staff noted guidance in AASB 1058, paragraph B16 that, on initial recognition of the financial asset, the entity recognises the requirement to acquire or construct the recognisable non-financial asset as an obligation. This obligation is accounted for similarly to a performance obligation under AASB 15. For each obligation, the entity shall determine whether the obligation would be satisfied over time or at a point in time. This approach is illustrated in Example 9 (income recognised over time as the building is constructed) and Example 10 (income recognised as the beds are acquired and controlled).

To address the inconsistent application noted in the requests from stakeholders for additional guidance on the timing of revenue recognition and in keeping with the short-term nature of this project, staff recommend that the consistency of application can be assisted by additional educational material in the proposed webinar.

#### Proposed content

14. Based on the above analysis, staff recommend educational material to address the two issues as follows:
- Identified specifications – discuss the criteria in paragraphs 15–17 and considerations for assessing the requirements, including an example that highlights either end of a spectrum and identifies areas between the two extremes that require the use of judgment. For example, a requirement to 'purchase some assets' would not be considered sufficient to meet the criteria (noting the Board's intention that "an in-substance transfer of a good for use by the entity itself should not result in income until the recipient has satisfied its obligation to construct or acquire the asset" outlined in BC98, indicating that the transferring entity would have a specific asset in mind). In contrast, the examples in the Standard would meet the criteria.
  - Revenue recognition – including a discussion on AASB 1058 Examples 9 and 10 to illustrate a pattern of revenue recognition for those contrasting scenarios and refer the participants to the relevant paragraphs within AASB 1058 / AASB 15 to consider the transfer of control.

#### **Question for Board members**

- Q1 Does the Board agree with the staff recommendation above that educational material (e.g. webinar) be prepared to help clarify the application of the identified specifications principle and revenue recognition for those contracts covered by paragraphs 15–17 of AASB 1058?  
If not, what approach does the Board prefer for this topic?

#### **Grants received in arrears**

15. AASB 1058, paragraph 8 requires the recognition of an asset once it is controlled by the entity. Stakeholder feedback indicates divergent views as to how to account for grants that are received in arrears in circumstances where some of the work funded by the grant is performed prior to the funding being received. Staff understand that the divergent views arise due to

whether an asset should be recorded when the work is performed, and if an asset exists, what is the nature of the asset.

16. AASB staff released an [additional FAQ](#) (No. 13) in 2020, which provided some guidance on this issue, including two examples for a grant received in arrears. However, stakeholder feedback indicates that divergence in practice still exists; for example, staff are aware of the following approaches taken in practice:
  - (a) not recognising an asset (or revenue) until the funds are received;
  - (b) recognising a receivable when the work is performed; and
  - (c) recognising a contract asset or accrued income balance with assurance practitioners also having divergent views.
17. The diversity in views is illustrated in the example below:

In December 2020, an NFP entity is awarded a funding grant in relation to community engagement, the agreement is not considered sufficiently specific, however is enforceable (and therefore is within the scope of AASB 1058).

The NFP Entity is entitled to \$100 per community engagement session (without further specification in relation to the sessions, for example location and target audience) held up to a maximum of \$100,000 and submits claims for payment every six months (in July and January).

500 sessions have been held between January and June 2021.

What does the NFP entity record for the year ended June 2021, noting that the first payment claim is submitted in July 2021?

View 1	View 2	View 3
Dr: Receivable 50,000  NFP entity interpreted terms and conditions including the payment claim submission that there is a contractual right to receive cash being a portion of the total grant attributable to the sessions performed up to 30 June 2021	Dr: Accrued income / Contract asset 50,000  Since the claim has to be submitted and therefore there is an activity to occur in addition to the passage of time (and therefore not an unconditional right)	No asset recorded  Since the criteria for recognising a receivable have not been met, and a contract asset (or similar) cannot be recognised, the agreement is outside the scope of AASB 15.
Cr: Income 50,000	Cr: Income 50,000	No income recorded

#### Options considered

18. Staff considered whether standard-setting would be appropriate to address this issue. However, staff are of the view that interpretation about the type of asset that may exist where grant funding is received in arrears is regarded outside of this narrow-scope project. Staff hold this view because:
  - (a) If the facts and circumstances of the particular situation give rise to the financial asset, the asset recognition guidance would be out of scope of AASB 1058;
  - (b) If there are scenarios where the conditions are not met for the financial asset to be recognised, a contract asset under AASB 15 is not recognised because the contract is out

of scope of AASB 15. Therefore, additional requirements and guidance may be required at an accounting standard level. This would be examined by the PIR which may include consideration regarding the operation of AASB 1058 on "residual" basis.

However, the Board may consider adding an illustrative example to AASB 1058 based on the staff FAQs referred to above to improve accessibility of the examples noting that it may not address all scenarios, including those referred to in paragraph 18(b) above. On balance, staff does not recommend adding the existing FAQ to AASB 1058 given it focuses on the illustration of the asset recognition arising from a transaction within the scope of AASB 1058 under other Australian Accounting Standards.

19. To contribute to the consistency of application that is lacking, as noted in the requests from stakeholders for additional guidance to interpret the requirements of the current Standard and in keeping with the short-term nature of this project, staff recommend that the consistency of application can be assisted by additional educational material.

**Proposed content**

20. Staff recommend educational material, for example, a discussion in the proposed webinar reiterating the principles contained in AASB 1058, and the need to consider whether an asset exists rather than specifying the type of asset.

**Question for Board members**

- Q2 Does the Board agree with the staff recommendation that educational material is prepared to help clarify the considerations that entities need to apply when assessing recognition of the asset from the contracts in the scope of AASB 1058?

If not, does the Board prefer to add the examples illustrated in the staff FAQs to the AASB 1058 Illustrative Examples?

If not, what approach does the Board prefer for this topic?

**Enforceable criteria**

21. For a revenue contract to be within the scope of AASB 15, the contract is required to be enforceable. Paragraphs F10–F18 of AASB 15 provide guidance on enforceability in an NFP context; however, stakeholder feedback indicated that the Standard was unclear whether refundability was sufficient to prove enforceability and whether receipt of funds without a signed contract yet being issued could be part of an enforceable contract.
22. In particular, preparers and auditors noted instances where, if the only clause in a grant agreement relating to enforceability is a requirement to refund excess or misspent funds, there is confusion and inconsistency about whether this is enough to prove an enforceable contract. Some stakeholders have interpreted the Standard as requiring a penalty in excess of the return of funds provided.
23. In addition, some NFP preparers noted that they often received funds from providers in June related to agreements that had not been finalised or signed. The agreements include specific performance obligations for a future period. However, the fund provider was required to distribute the funds prior to the end of the financial year regardless of the unsigned agreement. There is divergence in views regarding whether this implied contract would meet the criteria of an enforceable contract within the scope of AASB 15 or whether the funds should be recognised on receipt under AASB 1058.

*Options considered*

24. Staff considered whether standard-setting would be appropriate. However, staff are of the view that the guidance provided in paragraphs F10–F18 of Appendix F to AASB 15 is sufficient to determine whether an agreement is enforceable for this narrow-scope project, for example:
  - (a) Paragraph F12(a) notes that a refund would be an example of a term that results in enforceable agreement with further Board's considerations outlined in BC32;
  - (b) Paragraph F12 notes that oral agreements also may be enforceable;
  - (c) Paragraph F13 notes that agreements that lack elements of a contract may nonetheless become legally enforceable if there is conduct by one party that causes the other party to act in reliance on such conduct. The paragraph also notes that the enforceability of agreements does not depend on their form.
25. In line with the AASB's education strategy to contribute to addressing the inconsistent application noted in the requests from stakeholders for additional guidance to interpret the requirements of the current Standard and in keeping with the short-term nature of this project, staff recommend that the existing requirements of the standards be reinforced through educational material.

*Proposed content*

26. Staff recommend that the educational material, for example a webinar, addressing several issues raised in this project will include information about paragraphs F10–F18 and areas for consideration by entities in assessing enforceability.

**Question for Board members**

- Q3 Does the Board agree with the staff recommendation to develop educational material in the proposed webinar addressing the guidance provided in paragraphs F10–F18 of Appendix F to AASB 15 concerning refundability and non-signed contracts?

If not, what approach does the Board prefer for this topic?

**Documentation**

27. Appendix F of AASB 15 requires the existence of an enforceable contract with sufficiently specific performance obligations to fall into its scope of AASB 15.
28. In many cases, the grant agreement only forms one part of the 'contract'. There may be significant other documents in place that could assist in determining the relevant accounting standard, for example, proposal documents and approved budgets. Stakeholder feedback has noted confusion around whether the other documents can and should be considered in forming opinions regarding the relevant accounting standard, resulting in divergence of accounting treatment.

*Options considered*

29. Staff considered whether standard-setting would be appropriate; however, the definition of a contract from AASB 15, Australian implementation guidance for NFP entities such as paragraph F13 and paragraph BC28 in the Basis of Conclusions, indicate that the contract includes all documents which provide present rights and obligations on either party. Further, paragraph 12 notes that oral agreements may also be enforceable, meaning that a party can enforce the contract through legal or equivalent means.
30. To support consistent application of the accounting standards, staff recommend including the topic in the additional educational material developed for other topics.

Proposed content

31. The proposed webinar addressing some issues raised in this project would include information regarding some other documents that may be considered part of the contract using the guidance from AASB 15 and the associated basis of conclusions.

**Question for Board members**

- Q4 Does the Board agree with the staff recommendation to develop additional educational material that would include information regarding some other documents that may be considered part of the contract using the guidance from AASB 15 and the associated basis of conclusions?

If not, what approach does the Board prefer for this topic?

**Termination for convenience clauses**

32. In [November 2020 \(Agenda Paper 5.1\)](#), the Board discussed the issue of termination for convenience clauses and whether the existence of these clauses in the government grant agreement would result in a liability being recognised for funds received not yet spent. The Board agreed that, under the *AASB Due Process Framework for Setting Standards*, the matter would need to be referred to the IFRS Interpretations Committee (IFRS IC) if authoritative guidance is required to address diversity in practice since the issue is relevant to both for-profit and not-for-profit entities. The Board directed staff to hold further discussions with the stakeholders who had initially raised the issue and provide assistance if the stakeholders intended to submit a request to the IFRS IC. Staff understand that the stakeholders have not yet submitted the proposal to IFRS IC.
33. Nevertheless, as part of the limited outreach, staff received feedback on the continued divergence in practice. Several preparers and auditors are of the view that termination for convenience clauses give rise to a liability for any unspent funds where the income is within the scope of AASB 1058, which allows the entities to recognise the funds as income when the related expenses are incurred, while some entities, who believe that the termination for convenience clauses are inserted only for specific purposes (e.g. change in government), are recognising revenue on receipt. In contrast, other entities are deferring revenue recognition to match the revenue with future expenses.

Options considered

34. Staff do not think any new information has been identified during the targeted outreach and the information provided in the staff paper considered by the Board at its November 2020 meeting.
35. If there are scenarios where the agreement is outside the scope of AASB 15, and it is either unclear whether the terms of the agreement give rise to a financial liability or such outcome would not meet the objectives and qualitative characteristics of the financial reporting, additional requirements and guidance may be required at an accounting standard level. Such matters would be of the nature to be examined by the PIR, given this may include consideration regarding the operation of AASB 1058 on a "residual" basis. Staff, therefore, does not propose further action as part of this project, noting that interaction between the scope of AASB 1058 and other standards, such as AASB 9, would be in the scope of the upcoming PIR.
36. Staff noted feedback from some Panel members recommending the provision of educational material on the termination for convenience clauses. Whilst the accounting for such clauses may include considerations of other standards beyond the scope of AASB 15 and pertain to recognition of 'related amounts' referred to in AASB 1058, an education material outlining considerations to be taken account when assessing such clauses and contracts that contain

them (for example interaction of the scope between accounting standards) may improve consistency of application.

37. Staff note that in line with the [Due Process Framework](#), if the Board decides not to add a topic to the agenda, the Board may decide to report the decision as a Board Agenda Decision formally, sometimes called "items not taken onto the agenda" or "agenda rejection statements". However, staff also note that the Board agreed that the matter would need to be referred to the IFRS IC if authoritative guidance is required, and therefore an Agenda Decision may not be sufficient to further reduce any diversity in practice beyond what educational material can achieve and therefore staff do not recommend for the Board to issue a formal Agenda Decision at this point in time.

**Question for Board members**

- Q5 Does the Board agree with the staff recommendation to include considerations to be taken account when assessing termination for convenience clauses and contracts that contain them in the additional educational material?

If not, what approach does the Board prefer for this topic?

**Current topics for post-implementation review from this project**

38. Several implementation issues have been identified as part of this project which staff recommend should be taken to the PIR.
39. Staff propose that the following topics are specifically considered for the scope of the PIR of AASB 1058 / AASB 15 once this project commences in 2022.
- (a) 'Sufficiently specific' criterion (AASB 15 paras. F20–F26) – difficulty applying the criteria;
  - (b) The legal interpretation would allow non-performance of contract claim, but Australian Accounting Standards do not allow the requirements to be classified under AASB 15 – some stakeholders raised concern that the extent of specificity needed to meet the sufficiently specific criteria to be within the scope of AASB, and therefore match revenue and expenses, seem to be a much higher threshold than a legal interpretation of whether an entity has breached the requirements of an agreement and not satisfied relevant performance obligations;
  - (c) Preparation of different accounts for management and statutory purposes – several preparers noted that, due to the confusion caused by recognition of revenue on receipt for contracts where the entity believes there are activities to be met but the contract is not within the scope of AASB 15, their internal reporting is based on the activities of the project as this is the perceived information required by boards and most donor reporting is on this basis except for the statutory financial reporting ;
  - (d) Matching concept – where funds are received particularly in the form of a grant, many stakeholders have noted there are certain activities that have to be performed and therefore, they believe that the matching concept would provide more useful information to users and would be consistent with the requirements of *AASB 120 Accounting for Government Grants and Disclosure of Government Assistance for for-profit entities*;
  - (e) Additional guidance on how specific 'identified specifications' need to be for paragraphs 15–17 of AASB 1058.

**Question for Board members**

- Q6 Does the Board agree with the staff recommendation to consider the items in paragraph 39 for the scope of the post-implementation review?

## **Next steps**

40. The following table contains a proposed project timeline for the Board's consideration and comment, subject to the Board's decisions at the November 2021 meeting.

<b>Meeting / Deliverable</b>	<b>Project Milestones</b>
<b>w/b 15 November 2021</b>	Staff to update the working draft of the Exposure Draft (ED) to reflect any Board decisions at its November meeting as necessary, including a decision in respect of Agenda Paper 11.2 for the initial measurement requirement of concessionary ROU assets held by NFP lessees
<b>w/b 22 November 2021</b>	Staff to conduct targeted outreach on the working draft of the ED
<b>December 2021</b>	Staff to circulate pre-ballot draft ED for review to the Board subcommittee
<b>January 2022</b>	The Board subcommittee to review and approve the ED out of session. Propose a 30-day comment period.
<b>April 2022:</b> Board meeting	Board to consider: 1. stakeholders' feedback on the ED; and 2. a pre-ballot draft version of the amending Standard.
<b>April 2022</b>	The Board to vote on the ballot draft amending Standard and issue final Standard.

41. Additionally, staff will develop the proposed webinar, key facts document and amended FAQs following the November Board meeting aiming for publication early 2022.

### **Questions for Board members**

- Q7 Does the Board agree with the proposed next steps?
- Q8 Does the Board want to form a sub-committee for review and approval of the Exposure Draft?
- Q9 Does the Board agree with the proposed comment period?