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## IFRS Foundation Trustees meeting – Due Process Oversight Committee

Date **October 2022**  
Topic **IASB Technical Activities: Key Issues and Update**  
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This document is prepared for discussion at a public meeting of the IFRS Foundation Trustees' Due Process Oversight Committee (DPOC). The Trustees are responsible for governance of the IFRS Foundation, oversight of the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB), and for delivery of the IFRS Foundation's objectives as set out in the IFRS Foundation *Constitution*.

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### Purpose of the report

1. This report provides the Due Process Oversight Committee (DPOC) with an update on the activities of the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (Interpretations Committee) for the period June 2022 to September 2022.
2. The report sets out how the IASB and the Interpretations Committee have fulfilled their due process obligations as set out in the *Due Process Handbook*. The report aims to assist the DPOC in fulfilling its role of overseeing the due process activities of the IASB and the Interpretations Committee, as set out in paragraphs 2.1–2.15 of the *Due Process Handbook*. Paragraph 2.8(a) of the *Due Process Handbook* explains:

*The DPOC is responsible for ... reviewing regularly, and in a timely manner, together with the [IASB] and the IFRS Foundation staff, the due process activities of the [IASB] and the Interpretations Committee, including standard-setting, the development of materials to support the consistent application of IFRS [Accounting] Standards, and the IFRS [Accounting] Taxonomy.*

3. At this meeting there are no projects for which the DPOC is being asked to specifically confirm that due process has been followed. **Accordingly, all information in this report is for noting only.**
4. The report is structured as follows:
  - (a) due process matters in the period for noting (paragraphs 6–9); and
  - (b) other matters occurring during the period for the attention of the DPOC (paragraphs 10–37).
5. The accompanying appendices are as follows:

Appendix A—Overview of projects on the work plan

Appendix B—Due process documents published in the period.

### Due process matters in the period for noting

#### Due process documents published

6. The due process documents published in the period are listed in Appendix B. The staff confirm that the required due process steps have been completed for each of the documents listed. When the IASB is required to review a summary of the due process steps undertaken for a due process document, the DPOC receives a copy of the supporting IASB paper in advance of the IASB's discussion.

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## Due process decisions

7. At the June 2022 meeting the IASB confirmed that all necessary due process steps had been taken to start the balloting process for the Exposure Draft *Third edition of the IFRS for SMEs Accounting Standard*. The IASB also set a comment period for the exposure draft of 180 days, which is longer than the 120-day minimum specified by the *Due Process Handbook*. The longer period reflects that the IASB is proposing significant amendments to major sections (including Revenue, Financial Instruments and Business Combinations) and that the IFRS for SMEs Accounting Standard is typically applied by companies with fewer resources who would benefit from the extra time. As noted in Appendix B, the exposure draft was published in September 2022.
8. At the June 2022 meeting the IASB decided to finalise its proposed amendments to IAS 1 *Presentation of Financial Statements* published in the Exposure Draft *Non-current Liabilities with Covenants*, with some changes to the proposals in the light of the feedback received. At the July 2022 meeting the IASB confirmed that re-exposure of the proposals is not required. The IASB also confirmed it was satisfied it had complied with the applicable due process requirements and had undertaken sufficient consultation and analysis to begin the process for balloting the amendments. The amendments are expected to be issued in November 2022 and will improve how an entity classifies debt and other financial liabilities subject to covenants as current or non-current.

## Agenda paper compliance report<sup>1</sup>

9. In the period June 2022 to September 2022, all agenda papers discussed by the IASB and the Interpretations Committee were made available on the public website unaltered. In July 2022 two IASB papers were posted after the posting deadline:
  - (a) Agenda Paper 9C: Rate-regulated Activities: Total allowed compensation—Regulatory returns on an asset not yet available for use (Addendum). This was a decision-making paper intended to clarify the analysis and recommendation in a paper discussed by the IASB earlier in the week.
  - (b) Agenda Paper 11A: Disclosure Initiative: Targeted Standards-level Review of Disclosures—Summary of feedback from ASAF on the possible courses of action. This was an educational paper to summarise feedback from the July ASAF meeting, which occurred after the posting deadline.

## Other matters occurring during the period for the attention of the DPOC

### Research and standard-setting updates

#### *Goodwill and Impairment*

10. The IASB is exploring whether entities can, at a reasonable cost, provide users of financial statements with more useful information about the business combinations those entities make. The IASB is considering how to meet this objective by considering changes to disclosure requirements about

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<sup>1</sup> Paragraph 3.12 of the *Due Process Handbook* states 'The technical staff is required to report to the [IASB] and the DPOC at least annually on the extent to which material discussed by the [IASB] or the Interpretations Committee has not been made available to observers and the main reasons for doing so. In addition, the technical staff is required to include in that report the number of meeting papers that have been distributed less than five working days in advance and the main reasons for doing so.'

business combinations, the subsequent accounting for goodwill (including whether to reintroduce amortisation of goodwill) and other aspects of the accounting for business combinations.

11. During the period, the IASB focused on disclosure proposals and, in particular, how to develop a package of disclosure requirements that would reasonably balance the needs of users and the concerns of preparers.
12. In September 2022, the IASB decided to proceed with proposals to require entities to disclose information about the subsequent performance of business combinations and quantitative information about expected synergies, consistent with the preliminary views it expressed in its Discussion Paper in March 2020. However, to respond to concerns about the cost of disclosing that information, the IASB tentatively decided to provide exemptions from some disclosures in specified circumstances and require the disclosures of some of the information for only a subset of business combinations. The IASB has some further disclosure decisions to make, based on points raised at the September meeting. Any tentative decisions would then be subject to publication, feedback and re-deliberations of an exposure draft proposing those disclosures.
13. In September 2022, the IASB and FASB also held a joint educational meeting. The FASB decided in June 2022 to deprioritise and remove its project on goodwill and impairment from its technical agenda. Nonetheless, at the meeting, the boards discussed:
  - (a) the FASB members' previous tentative decision to reintroduce amortisation and their reasons for subsequently deciding to not proceed with this change.
  - (b) the IASB's tentative decisions on disclosures and feedback and research to date on the subsequent accounting for goodwill.
14. The IASB will next discuss whether to continue to explore the possible reintroduction of amortisation in Q4 2022.

### **Primary Financial Statements**

15. The purpose of this project is to improve comparability and transparency in the primary financial statements, with a focus on the statement of profit or loss. During the period, the IASB continued deliberations on feedback to its Exposure Draft *General Presentation and Disclosures*, published in December 2019.
16. In September 2022, the IASB made the last of its most significant decisions on this project. Notably, during the period, the IASB tentatively decided:
  - (a) not to proceed with any specific requirements for unusual income and expenses as part of this project. IASB members noted in the discussion that extensive work to address the feedback on definition of unusual income and expenses was done over past year, with no clear way forward, and that further efforts to define 'unusual' would delay the benefits of the remaining, more significant objectives of the project. IASB members also noted that transparency would be provided through other aspects of the project, including disaggregation principles and requirements for disclosure of management performance measures.
  - (b) to require operating expenses to be presented in the statement of profit or loss using a classification based either on their nature or function, but to allow a mixed presentation of operating expenses when it provides the most useful information. For operating expenses presented by function, the IASB tentatively decided to require disclosure of the amounts of depreciation, amortisation and employee benefits included in each line item in the statement of profit or loss.

17. Also in September 2022, the IASB and the FASB discussed disaggregation-related projects at their joint educational meeting. The FASB has a project to explore disaggregation of selling, general and administrative expenses, costs of services and other cost of revenues and cost of tangible goods sold.
18. Over the next few months, the IASB will perform outreach to test tentative decisions that represent a change to the proposals in the Exposure Draft. The IASB will then discuss this feedback, as well as continue deliberating various details in the project through 2023. In 2023 the DPOC will undertake a 'lifecycle' review of the due process over the life of this project in accordance with paragraph 2.12 of the *Due Process Handbook*.

### **Management Commentary**

19. After considering the feedback on the 2021 Exposure Draft, the IASB received an update on the project in July 2022, noting the evolving landscape since the exposure draft was published in May 2021, including the creation of the International Sustainability Standards Board (ISSB), and a commitment in May 2022 by the Chairs of the IASB and the ISSB to consider the similarities and differences between the International Integrated Reporting Framework (<IR> Framework) and the proposals developed in the Management Commentary project.
20. The staff expects to ask the IASB to consider a path forward for this project at a future meeting.

### **Disclosure Initiative—Subsidiaries without Public Accountability**

21. In June 2022 the IASB met to decide the direction of the project based on the feedback received from the exposure draft. The project seeks to potentially reduce costs and simplify preparation of financial statements for subsidiaries that do not have public accountability. At this meeting, the IASB decided to proceed with the proposals in the exposure draft, subject to redeliberations, and develop a final IFRS Accounting Standard.

### **Post-implementation reviews (PIRs)**

#### Overview

22. During the period, the IASB:
  - (a) Completed the PIR of IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities* with the publication of the Report and Feedback Statement in June 2022. The IASB concluded that the Accounting Standards are working as intended and that matters identified in the PIR were not of high enough priority to be added to the IASB's work plan of active projects or research pipeline. The staff discussed this PIR with the DPOC in May 2022.
  - (b) Started the PIR of the impairment requirements in IFRS 9 *Financial Instruments* and discussed the project plan in July 2022. The IASB expects to publish a Request for Information in H1 2023.
  - (c) Started the PIR of IFRS 15 *Revenue from Contracts with Customers* and discussed the project plan in September 2022. The IASB expects to publish a Request for Information in H1 2023.
  - (d) Decided in September 2022 not to start the PIR of the hedge accounting requirements in IFRS 9 and of IFRS 16 *Leases*, primarily due to the need for more evidence from application in practice. The IASB will consider again in H2 2023 whether to start these PIRs.
  - (e) Continued deliberations on the feedback to the Request for Information on the classification and measurement requirements in IFRS 9. See paragraph 24-30 for further information.
23. At the September 2022 IASB meeting staff communicated a clarified description of the objective and process for PIRs. The DPOC discussed this clarified description in May and June 2022 and supported

the revised description. This clarified description has meanwhile been made publicly available on the IFRS Foundation website and is now being included in various other communications with stakeholders.

#### PIR of the classification and measurement requirements in IFRS 9

24. The comment period for the Request for Information on the PIR of the classification and measurement requirements ended on 28 January 2022. The IASB is in the process of analysing feedback and deciding next steps.
25. **Contractual cash flow characteristics (including ESG-linked financial assets)**—As discussed further in paragraphs 31–32, based on the feedback to the Request for Information, the IASB decided in May 2022 to add a narrow-scope project to its work plan on the contractual cash flow characteristics of financial assets.
26. **Accounting for equity investments and fair value through other comprehensive income**—In June 2022, the IASB discussed feedback and evidence, including academic evidence, related to the accounting for equity investments for which an entity elects to present fair value changes in other comprehensive income (OCI). Commenters expressed mixed views on the accounting for equity investments, with stakeholders continuing to hold differing, and often strong, views about:
  - (a) the role of OCI and whether it should be used to distinguish between ‘realised’ and ‘unrealised’ gains and losses; and
  - (b) the importance of reporting amounts in profit or loss versus in OCI and when amounts in OCI are recycled or not.
27. Although feedback from users during outreach on the PIR was mixed with some that would have preferred all equity investments to be measured at FVPL while other would have preferred recycling of OCI amounts, in general, users did not raise any concerns about a lack of information.
28. The IASB will decide in October 2022 whether to undertake standard-setting. The staff is recommending no changes to the accounting for equity investments, but recommends additional disclosures to increase the usefulness and transparency of information provided about the overall performance of equity investments for which the OCI presentation election was made.
29. **Amortised cost measurement**—In July 2022, IASB discussed feedback on assessing modifications of financial assets and financial liabilities and the application of the effective interest method. Based on its analysis, the IASB decided to add a narrow-scope project to its research pipeline to clarify the requirements in IFRS 9 for modifications of financial assets and liabilities and applying the effective interest method.
30. **Next steps**—The IASB expects to publish a Report and Feedback Statement in Q4 2022. The staff will discuss this PIR with the DPOC in more detail at a meeting later in the year prior to publication.

## Supporting consistent application

### **Maintenance projects (narrow-scope amendments)**

#### Contractual Cash Flow Characteristics

31. Based on feedback from the PIR of the classification and measurement requirements in IFRS 9, in May 2022 the IASB decided to start a project to clarify particular aspects of the IFRS 9 requirements for assessing a financial assets’ contractual cash flow characteristics. These clarifications would seek to support consistent application of requirements to determine whether to measure financial assets, including financial assets with ESG-linked features, at fair value or amortised cost. This project does

not seek to provide any sort of exemption or rule to apply to ESG-linked features, but rather clarify the principles in IFRS 9 when applying them to such assets.

32. The IASB continued to deliberate this project during the period. Its next step will be the publication of an exposure draft.

### Supplier Finance Arrangements

33. The IFRS Interpretations Committee received a submission about supplier finance arrangements. In response to that submission, the Committee published the Agenda Decision *Supply Chain Financing Arrangements—Reverse Factoring*. The IASB expects the Agenda Decision to help entities in providing relevant information about supplier finance arrangements when applying the current requirements in IFRS Accounting Standards.
34. The IASB is also considering targeted amendments to the current disclosure requirements to help users of financial statements better understand the effects of the arrangements on the financial statements. The IASB published an exposure draft in November 2021, with a comment period that ended in March 2022. During the period, the IASB discussed the feedback received, noting a high degree of investor interest in and support for the project, subject to some recommended changes.

### Interpretations Committee

35. The Interpretations Committee met in June and September 2022. At those meetings, the Interpretations Committee published one tentative agenda decision and voted to finalise seven agenda decisions (see the table in Appendix B). Three of those finalised agenda decisions have been presented to the IASB and were published following confirmation by the IASB in accordance with paragraph 8.7 of the *Due Process Handbook*. Three others will be presented to the IASB in October 2022. Most of these agenda decisions include material explaining how the applicable principles and requirements in IFRS Accounting Standards apply to the transaction or fact pattern described in the agenda decision.
36. In June 2022, applying paragraph 5.16 of the *Due Process Handbook* the Interpretations Committee voted to finalise an agenda decision related to the submission *Cash Received via Electronic Transfer as Settlement for a Financial Asset (IFRS 9)*. The Interpretations Committee also recommended reporting to the IASB respondents' comments on the potential effects of publishing the agenda decision. At its September 2022 meeting, the IASB considered the Interpretations Committee's discussions and respondents' comments, and decided to explore possible narrow-scope standard-setting as part of its post-implementation review of IFRS 9. In considering whether to undertake standard-setting, the IASB—as the body responsible for standard-setting—considers factors beyond those the Interpretations Committee considers (as required by the *Due Process Handbook*). Respondents' comments indicate an unusual situation in this case; one in which the potential effects of publishing an agenda decision are both (a) wide—the matter applies to virtually all entities; and (b) deep—some entities may have been required to change systems, processes and controls over cash receipts and cash payments. The IASB will explore whether it is possible to retain the usefulness of the information that results from applying IFRS 9 in this respect while, at the same time, reducing the costs of application. At this stage, an agenda decision has not been published.
37. At the close of the September 2022 meeting, there were no submissions recently received that the Interpretations Committee had not yet considered.

## Appendix A—Overview of projects on the Work Plan

[abbreviations: DP=Discussion Paper; ED=Exposure Draft; RFI=Request for Information; ASAF=Accounting Standards Advisory Forum; CMAC=Capital Markets Advisory Committee; GPF=Global Preparers Forum; EEG=Emerging Economies Group; SMEIG=SME Implementation Group; IFCG=Islamic Finance Consultative Group]

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions <sup>2</sup>
<b>Research projects</b>							
Business Combinations under Common Control	To explore possible reporting requirements that would reduce diversity in practice and improve the transparency and comparability of the reporting on business combinations under common control	Decide project direction	TBD	✓	<ul style="list-style-type: none"> <li>IASB discussed summary of feedback on DP in December 2021 and January 2022.</li> <li>IASB continued deliberations during the period.</li> </ul>	•DP published Nov 2020 (comment period ended Sep 2021)	ASAF: June 2021 CMAC: March 2021 EEG: May 2021 GPF: Jun 2019
Equity method	To assess whether application problems with the equity method as set out in IAS 28 <i>Investments in Associates and Joint Ventures</i> can be addressed in consolidated and individual financial statements by identifying and explaining the principles of IAS 28	Decide project direction	TBD	✓	<ul style="list-style-type: none"> <li>Project moved from research pipeline in Oct 2020</li> <li>IASB continued deliberations during the period.</li> </ul>	n/a	ASAF: Oct 2021 GPF: Nov 2021 EEG: Dec 2021

<sup>2</sup> Most recent discussion with each group highlighted

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions <sup>2</sup>
Extractive Activities	To explore: (a) developing requirements or guidance to improve the disclosure objectives and requirements about an entity's exploration and evaluation expenditure and activities to provide more useful information to primary users of financial statements (b) removing the temporary status of IFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i>	Decide project direction	Q3 2022	✓	<ul style="list-style-type: none"> <li>At its March 2022 meeting the IASB discussed the staff's project plan.</li> <li>IASB discussed staff research in September 2022. Staff will next conduct outreach to explore suggestions discussed at the meeting.</li> </ul>	n/a	ASAF: March 2021 CMAC: March 2019 EEG: Dec 2019
Goodwill and Impairment	To explore whether entities can, at a reasonable cost, provide users with more useful information about the acquisitions those entities make. The IASB is considering ways to meet the objective though improving the disclosure requirements about business combinations and the subsequent accounting for goodwill	Decide project direction	H2 2022	✓	<ul style="list-style-type: none"> <li>IASB continued deliberations during the period.</li> </ul>	DP published Mar 2020 (extended comment period ended Dec 2020)	ASAF: Sep 2022 CMAC: June 2022 EEG: Dec 2020 GPF: June 2022



Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions <sup>2</sup>
PIR of IFRS 10, IFRS 11 and IFRS 12	To examine further the matters in the Request for Information to assess whether IFRS 10 <i>Consolidated Financial Statements</i> , IFRS 11 <i>Joint Arrangements</i> and IFRS 12 <i>Disclosure of Interests in Other Entities</i> are working as intended	Feedback Statement	Q2 2022	✓	<ul style="list-style-type: none"> <li>The Report and Feedback Statement were published in June 2022 and this project has now been removed from the work plan.</li> </ul>	Report and Feedback Statement published June 2022	ASAF: March 2021 CMAC: March 2021 EEG: Dec 2020 GPF: March 2021
PIR of IFRS 9— Classification and Measurement	To assess the effects of the new requirements on entities, users, auditors and regulators	Feedback Statement	Q4 2022	✓	<ul style="list-style-type: none"> <li>Comment period on RFI ended 28 January 2022</li> <li>The IASB continued deliberations during the period.</li> </ul>	RFI Published September 2021	ASAF: July 2022 CMAC: June 2022 GPF: June 2022 IFCG: Nov 2021 EEG: Dec 2021
<b>Standard-setting projects</b>							
Disclosure Initiative— Subsidiaries without Public Accountability: Disclosures	To develop a reduced-disclosure IFRS Accounting Standard— using the disclosure requirements of the <i>IFRS for SMEs</i> Accounting Standard and adapting them where there are recognition and measurement differences between the <i>IFRS for SMEs</i> Accounting Standard and IFRS Accounting Standards—that would apply on a voluntary basis to subsidiaries that do not have public accountability	IFRS Accounting Standard	TBD	✓	<ul style="list-style-type: none"> <li>Comment period on ED ended 31 January 2022.</li> <li>In June 2022 the IASB decided to proceed with its proposal for a new IFRS Accounting Standard and agreed on a project plan for developing the Accounting Standard.</li> </ul>	ED published July 2021	ASAF: Sep 2022 GPF: Nov 2021 EEG: Dec 2021 SMEIG: Sep 2021

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions <sup>2</sup>
Disclosure Initiative— Targeted Standards-level Review of Disclosures	To develop guidance for the IASB itself to use when developing and drafting disclosure requirements in IFRS Accounting Standards  The IASB will test this guidance by applying it to the disclosure requirements in IAS 19 <i>Employee Benefits</i> and IFRS 13 <i>Fair Value Measurement</i>	Decide Project Direction	Q4 2022	Deferred by one month to enable the staff to develop a full package of proposals in light of IASB member comments at the July meeting,	<ul style="list-style-type: none"> <li>• Comment period on ED ended 12 January 2022</li> <li>• In July 2022 the IASB discussed possible ways of taking the project forward in light of feedback on the ED.</li> </ul>	ED published Mar 2021	ASAF: Jul 2022 CMAC: Jun 2021 EEG: Dec 2020 GPF: Jun 2021
Dynamic Risk Management	To explore whether an accounting model can be developed to better reflect how a company's interest rate risk management strategy may affect the amount, timing and uncertainty of future cash flows and the effect of risk management activities on its financial statements.	Exposure Draft	TBD	✓	<ul style="list-style-type: none"> <li>• At its July 2022 meeting the IASB discussed the proposed project plan, and topics to consider further as part of its development of the DRM model.</li> </ul>	DP published in 2014	ASAF: July 2022

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions <sup>2</sup>
Financial Instruments with Characteristics of Equity	To improve the information that entities provide in their financial statements about the financial instruments they have issued and address challenges with applying IAS 32 <i>Financial Instruments: Presentation</i>	Exposure Draft	TBD	✓	<ul style="list-style-type: none"> <li>IASB continued deliberations during the period.</li> </ul>	DP published Jun 2018  In light of feedback, the IASB decided to achieve the project objectives by clarifying existing IAS 32 classification principles to address practice issues and improving presentation and disclosure requirements	ASAF: Jul 2022 CMAC: Mar 2020 GPF: Nov 2018 EEG: Oct 2018 IFCG: May 2022
Management Commentary	To revise and update Practice Statement 1 <i>Management Commentary</i> issued in 2010	Decide Project Direction	TBD	✓	<ul style="list-style-type: none"> <li>Comment period on ED ended 23 November 2021</li> <li>IASB received a project update in July 2022, noting need to consider the evolving landscape since the exposure draft was published, including creation of the International Sustainability Standards Board (ISSB) and a commitment by the Chairs of the IASB and ISSB to consider the &lt;IR&gt; Framework.</li> </ul>	ED published May 2021	Management Commentary Consultative Group: Jul 2021 (private education session)  IFRS Taxonomy Consultative Group: Nov 2021  ASAF: Oct 2021 CMAC: Jun 2021 EEG: July 2021 GPF: Jun 2021

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions <sup>2</sup>
Primary Financial Statements	To improve how information is communicated in the financial statements, with a focus on information in the statement of profit or loss including introducing a more disciplined and transparent approach to the reporting of management-defined performance measures (a subset of 'non-GAAP')	IFRS Accounting Standard	TBD	✓	• IASB continued deliberations during the period.	ED published Dec 2019	ASAF: Jul 2022 CMAC: Mar 2022 GPF: Nov 2021 EEG: May 2020
Rate-regulated Activities	To develop a new accounting model to give users of financial statements better information about a company's incremental rights and obligations arising from its rate-regulated activities	IFRS Accounting Standard	TBD	✓	• IASB continued deliberations during the period.	ED published Jan 2021	Consultative Group for Rate Regulation: Mar 2022  ASAF: Sep 2022 CMAC: Mar 2021 GPF: Mar 2021 EEG: May 2021
Second Comprehensive Review of the IFRS for SMEs Accounting Standard	To undertake the second periodic comprehensive review of the IFRS for SMEs Accounting Standard	Exposure Draft Feedback	H12023	✓	• The IASB published the ED in Sep 2022 and is currently undertaking outreach with stakeholders.	ED published Sep 2022	ASAF: Jul 2022 EEG: May 2021 SMEIG: Jan 2022

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions <sup>2</sup>
<b>Other projects</b>							
Third Agenda Consultation	To gather views on: <ul style="list-style-type: none"> <li>the strategic direction and balance of the IASB's activities</li> <li>the criteria for assessing the priority of financial reporting issues that could be added to the work plan and</li> <li>new financial reporting issues that could be given priority in the IASB's work plan</li> </ul>	Feedback Statement	Q3 2022	✓	• In July 2022 the IASB published its Feedback Statement, and the project has now been removed from the work plan.	Feedback Statement published Jul 2022	Advisory Council: Jan 2022 ASAF: Dec 2021 CMAC: Mar 2022 GPF: Jun 2021 EEG: May 2021 IFRS Taxonomy Consultative Group: Jun 2021

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document
<b>Maintenance projects</b>						
Contractual Cash Flow Characteristics of Financial Assets (Amendments to IFRS 9)	To make narrow scope amendments to IFRS 9 <i>Financial Instruments</i> to clarify the particular requirements for assessing a financial asset's contractual cash flow characteristics, including for financial assets with ESG-linked features.	Exposure Draft	TBD	N/A – new project	• IASB continued deliberations during the period.	
Lack of Exchangeability (Amendments to IAS 21)	To specify requirements to help entities assess when a currency is not exchangeable and the spot exchange rate to use in that situation.	Decide project direction	TBD	✓	• Staff analysing feedback and developing recommendations on the project direction • Discussed with Interpretations Committee in September 2022	ED published Apr 2021

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document
Lease Liability in a Sale and Leaseback	To improve the sale and leaseback requirements in IFRS 16 by adding subsequent measurement requirements for sale and leaseback transactions.	IFRS Accounting Standard Amendment	Q3 2022	✓	<ul style="list-style-type: none"> <li>In September 2022 the IASB issued the amendments to IFRS 16. The project has now been removed from the work plan.</li> </ul>	ED published Nov 2020
Provisions—Targeted Improvements	To develop proposals for three targeted improvements to IAS 37: (i) aligning the IAS 37 liability definition and requirements for identifying liabilities with the <i>Conceptual Framework</i> ; and (ii) clarifying two aspects of the measurement requirements	Decide project direction	TBD	✓	<ul style="list-style-type: none"> <li>Staff developing recommendations on the project direction.</li> </ul>	n/a
Non-current Liabilities with Covenants (Amendments to IAS 1)	To improve the information a company provides about liabilities with covenants, in addition to addressing stakeholders' concerns about how a company classifies those liabilities as current or non-current.	IFRS Accounting Standard Amendment	Q4 2022	✓	<ul style="list-style-type: none"> <li>Staff currently drafting the amendments to be issued in November 2022.</li> </ul>	ED published Nov 2021
Supplier Finance Arrangements	To improve information provided to users of financial statements to enable them to assess the effects of a company's supplier finance arrangements on its liabilities and cash flows.	Decide Project Direction	Q4 2022	✓	<ul style="list-style-type: none"> <li>The IASB discussed feedback on the ED at its July 2022 meeting.</li> <li>Staff analysing feedback and developing recommendations on the project direction.</li> </ul>	ED published Nov 2021

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document
<b>IFRS Accounting Taxonomy projects</b>						
Proposed IFRS Accounting Taxonomy Update—2022 General Improvements and Common Practice	To reflect potential improvements to the Accounting Taxonomy, such as common practice elements, to support high-quality tagging of financial statements.	Proposed Accounting Taxonomy Update	Q4 2022	✓	• Staff are currently drafting this PTU	N/A
Proposed IFRS Taxonomy Accounting Update— <i>Lease liability in a sale and leaseback</i> and <i>Non-current liabilities with Covenants</i>	To reflect the amendments <i>Lease Liability in a Sale and Leaseback</i> (issued September 2022) and <i>Non-current liabilities with Covenants</i> (expected November 2022)	Proposed Accounting Taxonomy Update	Q4 2022	N/A	• Staff are currently drafting this PTU	N/A

## Appendix B —Due process documents published in the period

### Standard-setting due process documents

Due process document	Due process stage	Date published	Due process reviewed by IASB <sup>3</sup>	All applicable due process steps completed
<i>Lease Liability in a Sale and Leaseback</i>	Final amendment	September 2022	February 2022	✓
Exposure Draft <i>Second Comprehensive Review of the IFRS for SMEs Accounting Standard</i>	Exposure Draft	September 2022	June 2022	✓

### Other due process documents

Due process document	Due process stage	Date published	Due process reviewed by IASB <sup>3</sup>	All applicable due process steps completed
Post-implementation Review of IFRS 10, IFRS 11 and IFRS 12	Report and Feedback Statement	June 2022	February 2022 Reviewed by DPOC – May 2022	✓
Third Agenda Consultation	Feedback Statement	July 2022	Reviewed by DPOC – May 2022	✓

<sup>3</sup> Paragraph 4.16, 6.6 and 6.22–6.24 of the *Due Process Handbook* set out the due process requirements for the IASB when publishing a Discussion Paper, an Exposure Draft, and a new or amended Standard respectively. Before publishing these documents, the staff presents a summary of the due process steps to the IASB and asks the IASB to confirm that it is satisfied that all necessary steps have been completed. The DPOC receives a copy of this summary in advance of the Board discussion.



## Appendix B—Due process documents published in the period

### IFRS Accounting Taxonomy due process documents

No IFRS Accounting Taxonomy due process documents were published in the period.

### Submissions discussed by the IFRS Interpretations Committee

Topic	Current due process stage	Date published	Approved by Interpretations Committee	IASB not object <sup>4</sup>	All applicable due process steps completed	Next step	Remarks
Negative Low Emission Vehicle Credits (IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> )	Agenda decision	21 July 2022	14 June 2022	20 July 2022	✓	N/A	N/A
Special Purpose Acquisition Companies (SPAC): Classification of Public Shares as Financial Liabilities or Equity (IAS 32 <i>Financial Instruments: Presentation</i> )	Agenda decision	21 July 2022	15 June 2022	20 July 2022	✓	N/A	N/A

<sup>4</sup> Paragraph 8.7 of the *Due Process Handbook* requires the IASB to be asked whether it objects to a (final) agenda decision approved by the Interpretations Committee before that agenda decision is published.

Transfer of Insurance Coverage under a Group of Annuity Contracts (IFRS 17 <i>Insurance Contracts</i> )	Agenda decision	21 July 2022	15 June 2022	20 July 2022	✓	N/A	N/A
Cash Received via Electronic Transfer as Settlement for a Financial Asset (IFRS 9 <i>Financial Instruments</i> )	Decide project direction	15 September 2021	14 June 2022	At its September 2022 meeting, the IASB decided to explore possible narrow-scope standard-setting as part of its post-implementation review of IFRS 9.	✓	Explore possible narrow-scope standard-setting at a future meeting.	N/A
Lessor Forgiveness of Lease Payments (IFRS 9 and IFRS 16 <i>Leases</i> )	Tentative agenda decision feedback	23 March 2022	13 September 2022	The IASB will be asked whether it objects to the agenda decision at its October 2022 meeting.	✓	Agenda decision	The Interpretations Committee considered feedback on the tentative agenda decision at its meeting in September 2022.
Special Purpose Acquisition Companies (SPAC): Accounting for Warrants at Acquisition	Tentative agenda decision feedback	23 March 2022	13 September 2022	The IASB will be asked whether it objects to the agenda decision at its October 2022 meeting.	✓	Agenda decision	The Interpretations Committee considered feedback on the tentative agenda decision at its meeting in September 2022.
Multi-currency Groups of Insurance Contracts (IFRS 17)	Tentative agenda decision feedback	15 June 2022	13 September 2022	The IASB will be asked whether it objects to the agenda decision at its October 2022 meeting.	✓	Agenda decision	The Interpretations Committee considered feedback on the tentative agenda decision at its meeting in September 2022.