

## **IFRS FOUNDATION**

### **DOCUMENT RETENTION AND DESTRUCTION POLICY**

#### **Purpose**

The purpose of this policy is to provide the IFRS Foundation with a framework to govern management decisions on whether particular documents should either be: i) retained – and if so, in what format and for what period; or ii) disposed of – and if so, when, by what method and by whom.

This policy ensures that the IFRS Foundation:

- complies with document retention laws;
- retains valuable documents and saves time, money and space;
- protects against allegations of selective document destruction; and
- provides for a routine destruction of non-business, superfluous, and outdated documents.

#### **Document retention**

Any document that is required to be maintained by law should be retained for the time and in the form that is mandated by law. Documents that should be retained and the period of retention are listed in the attached schedule. The period of retention listed in the schedule is based on the time limits for potential tribunal or civil claims and aims to draw sensible conclusions as to how long keeping the records will protect the IFRS Foundation. In general, documents that are not subject to a retention requirement should be kept long enough to accomplish the task for which they were generated.

Where the recommended retention period given is six years, this is based on the six year time limit within which legal proceedings must be commenced as laid down under the Limitation Act 1980. Where documents may be relevant to a contractual claim, it is recommended that these be retained for at least the corresponding six year limitation period.

Each record of information should entail identifying when the retention period of each record is due to expire and taking immediate action to ensure its destruction in a proper and secure manner.

The IFRS Foundation has a legal duty to retain relevant documents which it knows or believes may be relevant to any legal action. Such documents include those that could lead to discovery of admissible evidence. Failure to retain relevant documentation could result in serious consequences:

- costs penalties
- part or all of a claim or defence being struck out
- contempt of court proceedings against those involved

It may also amount to obstructing or perverting the course of justice.

### **Roles and responsibilities**

Ultimate responsibility for determining whether to retain or dispose of specific documents rests with the Chief Operating Officer (COO), as it is reasonable to assume that the COO should be broadly conversant with the types of documents received, generated and stored by the IFRS Foundation.

The COO may delegate the operational aspects of this function to one or more senior officers within the IFRS Foundation. In doing so, the COO should ensure that any such officer is fully conversant with this policy and is also familiar with the operational requirements of the IFRS Foundation in relation to document retention/disposal.

The internal legal department can advise on whether minimum retention periods are prescribed by law, and whether retention is necessary to protect the IFRS Foundation's position where the likelihood of a claim has been identified by the COO.

The legal department cannot be expected to possess the operational or background knowledge required to assess whether a particular document may be required by the IFRS Foundation. This is the responsibility of the COO or the designated senior officers.

The Information Technology department is available to provide the COO and senior officers with advice and guidance on effective records management practices.

### **Data Protection Act**

The COO and senior officers need to be aware that under the Data Protection Act personal data processed for any purpose must not be kept longer than is necessary for that purpose. In other words, retaining documents or records that contain personal data

beyond the length of time necessary for the purpose for which that data was obtained is unlawful.

The Data Protection Legislation contains no interpretive provisions on this provision. It is a matter for reasonable judgment and common sense as to how long personal data should be retained.

### **Storage**

Important original documentation shall be kept onsite, in a secure location.

Original documentation which is beyond its operational date should be kept offsite. The documentation should be recorded and archived at the designated offsite location which shall be arranged in conjunction with Iron Mountain (UK) Limited.

Hard copies or scanned copies of documentation beyond its operational date may be kept onsite for reference purposes.

Electronic data shall be backed-up by the IT department and the back-up files shall be kept at an offsite location.

### **Litigation**

All electronic and paper document destruction should automatically be suspended when a lawsuit, claim or government investigation is pending, threatened or reasonably foreseeable. In the case of electronic destruction, the IT department is responsible for ensuring that any automatic destruction programme is disabled. However, overall control shall lay with the COO. The COO and senior officers should advise staff accordingly to prevent destruction of documentation.

### **Document destruction**

When information reaches the expiry date for retention, ensure that ALL copies of that information are permanently destroyed. Where information is held in more than one media the information must be removed from all record systems, for example, paper copies – shredded; electronic copies – completely destroyed from any memory source or other media.

All documents, including electronic documents, that are no longer relevant to the organisation's business, should be destroyed every thirty (30) days. Drafts of documents that have been finalised should not be retained, unless a senior officer advises otherwise.

### **Method of disposal**

The IFRS Foundation should follow these guidelines:

- do not deposit paper documents containing personal data or confidential information in the general waste bin. This could result in unauthorised disclosure of such information to third parties and render the IFRS Foundation liable to prosecution or other enforcement act under the Data Protection Act. Such documents should be destroyed on site, using the shredders located on the ground and first floors, or placed in the marked "Confidential Waste" bins.
- Deletion: the Information Commissioner has advised that if steps are taken to make data virtually impossible to retrieve, then this will be regarded as equivalent to deletion. If data is no longer relevant it should be deleted after thirty (30) days and if data is relevant it should be backed up and stored offsite. If in doubt further advice should be sought from the COO or IT department.
- Recycling: wherever practicable, disposal should further recycling, in-line with the IFRS Foundation's commitment to sustainable development and promoting an alternative waste disposal strategy.

Disposal of significant documents should be documented by the relevant senior officer by keeping a record of the document disposed of, the date and method of disposal, and who authorised disposal. The documenting of disposal of personnel records will be particularly important for the Data Protection Act.

**Schedule: Periods of retention**

<b>Agreements and related correspondence</b>		
<b>Document type</b>	<b>Period of retention</b>	<b>Comments</b>
Articles of Incorporation and Bylaws	Permanently	
Original IRS Form 1023 – application for exempt status.	Permanently	A non-profit is required to make Form 1023 available for public inspection at its offices and must provide copies to the public upon request unless the forms are widely available on the internet
Form 990 – annual information return.	Permanently	A non-profit is required to make Form 990 available for public inspection at its offices and must provide copies to the public upon request unless the forms are widely available on the internet
Major agreements of historical significance	Permanently	
Contracts with customers, suppliers or agents Licensing agreements Rental/hire purchase agreements Indemnities and guarantees Other agreements/contracts	Seven years after expiry or termination of the contract	Seven years (based on US guidelines) is generally the time limit within which proceedings founded on a contract may be brought  If the contract is executed as a deed, the limitation period is twelve years  Actions for latent damage may be brought up to fifteen years after the damage occurs

Domain name registrations and other intellectual property registrations	Permanently	
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<b>Minutes and Correspondence</b>		
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Document type	Period of retention	Comments
Agendas	Permanently	
Correspondence and papers on important issues or activities	Permanently	
Routine correspondence, papers and emails	Retain for as long as useful	
Signed minutes	Permanently	
Press releases	Two years	
Public consultations	Five years	
Registers of officers interests	Permanently	

<b>Property documents</b>		
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Document type	Period of retention	Comments
Deeds of title	Permanently	
Leases	Fifteen years after expiry	

<b>Accounts documents</b>		
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Document type	Period of retention	Comments
Company accounts (giving information sufficient to comply with Companies Acts 1985 and 1989)	Under the Companies Act accounting records must be retained: <ul style="list-style-type: none"> <li>- for public companies for a minimum of six years from the date they are made</li> </ul>	Best practice suggests retaining both private and public company accounts for six years from the end of the year  Some accounting records will be required for tax purposes

	- for private companies for a minimum of three years from the date they are made	Section 221 of the Companies Act 1985 as modified by the Companies Acts 1989 and 2006

<b>Tax documents</b>		
<b>Document type</b>	<b>Period of retention</b>	<b>Comments</b>
Tax returns and filings	Permanently	
Supporting documents for tax returns	Seven years	Where there is an enquiry into a tax return, records should be retained until the enquiry is complete
Audit reports of accountants	Permanently	
Federal and state tax bills and statements	Seven years	
Corporation tax	Six years from the end of the period for which the company may be required to deliver a company tax return	
PAYE	For PAYE records not required to be sent to the Inland Revenue, not less than three years after the end of the tax year to which they relate	Payroll records should be kept for five to six years
Income tax and NI returns, income tax records and correspondence with Inland Revenue	Not less than three years after the end of the financial year to which they relate	The Income Tax (Employments) Regulations 1993 (SI 1993/744) as amended, for example by The Income Tax (Employments) (Amendment No. 6) Regulations 1996 (SI 1996/2631)
Unincorporated businesses	Five years from 31 January	

and individuals	of the year following the year of assessment	
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<b>Banking record</b>		
<b>Document type</b>	<b>Period of retention</b>	<b>Comments</b>
Cheques, bills of exchange and other negotiable instruments, bank statements	Three years for limited companies Six years for public companies	
Instructions to bank	Six years after ceasing to be effective	

<b>Employee records</b>		
<b>Document type</b>	<b>Period of retention</b>	<b>Comments</b>
Staff personnel records, including immigration documentation	Three years after employment ceases	The Data Protection Act specifically provides that personnel documentation should not be retained beyond what is absolutely necessary.
Senior executives records	Permanently for historical purposes	
Applications and interview notes for jobs, where the candidate is unsuccessful	Seven years	Due to the time limits in the various discrimination Acts, for example the Disability Discrimination Act 1995, minimum retention periods for records relating to advertising of vacancies and job applications should be at least 6 months. Successful job applicants documents will be transferred to the personnel file in any event.
Disciplinary, working time	Seven years after	

and training records	employment ceases	
Payroll/wages (including overtime, bonuses and expenses)	Seven years	
Statutory Sick Pay records, calculations, certificates, self-certificates	Three years after the end of the tax year to which they relate	The Statutory Sick Pay (General) Regulations 1982 (SI 1982/894) as amended
Statutory maternity, paternity and adoption pay records	Three years after the end of the tax year to which they relate	The Statutory Maternity Pay (General) Regulations 1986 (SI 1986/1960) as amended
Redundancy details	Six months from date of redundancy	
Pension records	Twelve years after benefit ceases	
Pension scheme investment policies	Twelve years from the ending of any benefit payable under the policy	
Accident books	Three years after the date of the last entry	The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR) (SI 1995/3163) as amended
Health and safety records	Permanently	

<b>Insurance documents</b>		
<b>Document type</b>	<b>Period of retention</b>	<b>Comments</b>
Policies	Permanently	
Claims correspondence	Six years after settlement	
Employer's liability insurance certificate	Forty years	
Accident reports and relevant correspondence	Three years after settlement	

<b>Donations and subscription records</b>		
<b>Document type</b>	<b>Period of retention</b>	<b>Comments</b>

Donations granted and related	Six years	
Deeds of covenant	Six years after the last payment made but up to twelve years if any payments are still outstanding or there is any dispute regarding the deed	
Subscription records	Three years after cessation of membership	

<b>Technical, research and related documents</b>		
Document type	Period of retention	Comments
<b>Public documents</b>		
Observer notes	Permanently for electronic copies	
Public due process documents (Discussion Papers, Exposure drafts, Standards, Interpretations)	Permanently for electronic and physical copies	
Public staff and other documents (Published staff drafts, staff research reports, project summaries, expert advisory panel or other working group reports)	Permanently for electronic copies	
Comment letters received on due process documents	Permanently for electronic copies and one year after final due process document issued for physical copies	
Feedback Statements and effect analyses	Permanently for electronic copies	
Communications documents (Press releases, snapshots, presentations, webcasts, podcasts, etc)	Permanently for electronic copies	
Update	Permanently for electronic copies	

Meeting summaries	Permanently for electronic copies	
<b>Private Documents</b>		
Board, IFRIC, SAC and other public meeting papers (which includes public and private components)	Permanently for electronic copies	
Board member comments on private drafts of due process documents (Ballot drafts, etc)	3 months after publication of due process document for physical or electronic copies	
Papers prepared for private meetings	20 years for electronic copies	
Research and other internal discussion papers	20 years for electronic copies	
Private drafts of due process documents (Ballot drafts, etc)	20 years for electronic copies	
Signed ballot forms	3 months after publication of due process document for physical copies	
Internal working papers and drafts of board, due process and other papers (Staff notes, staff research for preparing board papers, etc)	No retention required	
Letters received on staff and other documents (Published staff drafts, staff research reports, project summaries, expert advisory panel or other working group reports)	20 years for electronic copies	

\* Where possible, the above retention periods are based on US guidelines.

**Relevant UK Legislation:**

Limitation Act 1980

Companies Act 1985  
VAT Act 1994  
Finance Act 1998  
Income Tax (PAYE) Regulation 2003  
Tax Management Act 1970  
Statutory Sick Pay (General) Regulations 1982  
Data Protection Act 1998  
Freedom of Information Act 2000

**Relevant US Legislation:**

Fair Labor Standards Act  
Fair and Accurate Credit Transactions Act  
26 U.S.C. section 501(c)(3)  
.S.C. section 1519, as a general anti-shredding law, and section 1520, as a retention of  
audit work papers law.

[Example]

### Document Destruction Record

Type of Record: \_\_\_\_\_

File Name: \_\_\_\_\_

Format: \_\_\_\_\_

Brief Description: \_\_\_\_\_

Type of Record	File/Record Name	Format	Brief Description of contents	Department	Date record created	Date record destroyed