

Summary of the conclusions of the Trustees' Due Process Oversight Committee (DPOC) meeting

11 October 2011, Paris

1. Development of a protocol for due process oversight

Members of the DPOC reviewed ongoing work to develop an enhanced operating protocol. The protocol is intended to guide the work of the DPOC as it discharges its responsibility for oversight of due process matters, to summarise the principal due process procedures of the IASB as described by the IASB's Due Process Handbook and to define the performance measurements to be used by the IASB to assist in evaluating and reporting on its adherence to published due process.

Members of the DPOC reported on their recent meeting with the IFRS Advisory Council to seek input on the development of the protocol and other matters related to oversight of the IASB's due process. Those DPOC members attending the meeting noted the strong support of Advisory Council members for such a protocol, also noting the importance of prioritising the quality and consistency of the standards throughout the entire lifecycle of the standard-setting process.

The DPOC published for public comment a working draft of the protocol on the IFRS Foundation website. It will publish a final draft in 2012 for public comment, along with proposed enhancements to the Due Process Handbook.

2. Post-implementation review planning

In 2007 the Trustees introduced the requirement for the IASB to conduct post-implementation reviews of each new IFRS or major amendment, normally two years after such requirements have become mandatory and been implemented. The first standard issued by the IASB and subject to post-implementation review will be IFRS 8 *Operating Segments*, the review of which is due to commence at the beginning of 2012.

Staff reported on feedback received from the IFRS Advisory Council, the meeting of World Standard-Setters and others regarding the mechanism and timetable for completing such reviews. Staff noted that there was support to broaden the remit of reviews to include consideration of the original purpose of the standard and whether the standard had met that original objective, and to allow for sufficient time before commencing a review to allow the consequences of the new standard to be fully understood.

Staff noted that the upcoming review of IFRS 8 would inform the Board in determining the optimal approach for conducting future reviews, and that the draft approach to be used for this review should be revisited shortly after the review of IFRS 8 is completed.

The DPOC endorsed this broader approach and asked the staff to refine the proposed approach for completing the first post-implementation review.

3. Agenda consultation

Staff reported on the ongoing consultation regarding the IASB's future agenda and efforts to encourage broad participation in the consultation exercise. Staff reported that public round table discussions had been scheduled to take place in Asia-Oceania, Europe and North America, as well as a programme of meetings and activities to solicit feedback from investors and other stakeholders who may be less inclined to participate in such consultation activities. The DPOC noted the importance of this outreach programme and urged the IASB to ensure that the views of all constituents, including those from emerging economies, would be sought and given consideration by the Board.

4. Review of the IFRS Interpretations Committee

The Trustees are midway through their review of the effectiveness of the IFRS Interpretations Committee. The review is being conducted in parallel with the Trustees' strategy review and addresses draft recommendations of the strategy review for improved consistency in the application of IFRSs.

In conducting the review, the Trustees have sought input from the IFRS Advisory Council, members of the Interpretations Committee and public input via a questionnaire published on the IFRS Foundation website.

The DPOC reviewed feedback received to date and recent changes to the operation of the Committee. The IASB confirmed that a deepening of dialogue between the Committee and the IASB had been welcomed by observers. The DPOC supported these efforts and noted the importance of the Committee playing a more strategic role in monitoring the consistent international application of the standards. The review is due to be finalised in the first quarter of 2012.

5. Correspondence with third parties

The DPOC discussed the 4 August 2011 letter from the Chair of the IASB to the Chair of the European Securities and Markets Authority (ESMA). The DPOC referred this letter for full discussion by the Trustees. The DPOC discussed a recent consultation paper published by the European Financial Reporting Advisory Group on Effect Analysis. The DPOC also reviewed correspondence with third parties, copies of which are available from the DPOC section of the website.

6. Due process oversight of standards

The DPOC reviewed the due process considerations for standards that are in development by the IASB. The DPOC reviewed the IASB's due process compliance for the Revenue Recognition, Leasing, Financial Instruments and Insurance Contracts projects.

The DPOC approved the IASB's request to publish for public comment amendments to IFRS 1 dealing with government grants for first-time adopters of IFRS. The reduced timetable responds to the request of affected stakeholders. These amendments will be published with a shortened

comment period of 75 days, in order to provide appropriate relief for jurisdictions that have recently adopted IFRSs.

7. Oversight of XBRL activities

The DPOC reviewed the ongoing work of the XBRL team in the development of a high quality IFRS Taxonomy. The Committee noted the intention of the Trustees' strategy review to consider closer integration of the XBRL function with the standard-setting activities of the IASB.

8. Interaction with national and regional accounting standard-setters

The DPOC reviewed a paper by the Australian Accounting Standards Board regarding the co-ordination of outreach activity occurring within a specific jurisdiction. The DPOC noted the intention of the Trustees' strategy review to recognise the importance of co-operation with national standard-setters and regional bodies concerned with accounting standard-setting as part of the IASB's outreach activities and also noted the need to effectively co-ordinate such work.

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