
IFRS Foundation Trustees meeting – Due Process Oversight Committee

Date **June 2023**
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*.

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 February to May 2023.
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 information only.**
4. The report is structured as follows:
 - (a) due process matters in the period for noting (paragraphs 6–14); and
 - (b) other matters occurring during the period for the attention of the DPOC (paragraphs 15–53).
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.

Due process decisions

7. At the February 2023 meeting the IASB:
 - (a) confirmed that all necessary due process steps had been taken to start the balloting process for the amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* (Supplier Finance Arrangements); and
 - (b) confirmed that all necessary due process steps had been taken to start the balloting process for the amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* (Lack of Exchangeability).
8. In March 2023, the IASB noted the proposed taxonomy update for amendments to IAS 12, IAS 21, IAS 7 and IFRS 7 is expected to be published in September 2023. However, the amendments to the Accounting Standards are expected to be issued between May and August 2023. To avoid delay in issuing these amendments, the proposed IFRS Accounting Taxonomy will be balloted and published slightly later than the amendments to the Standards. Paragraph A29 of the *Due Process Handbook* states that:

The Board approval of a proposed IFRS Taxonomy update normally takes place concurrently with the approval of the ballot of the related final IFRS Standard. However, the Board may decide to approve the proposed IFRS Taxonomy update at a later time if its concurrent publication with the related Standard risks delaying the publication of the amendments.
9. At the April 2023 meeting the IASB:
 - (a) decided to move the Equity Method research project to its standard-setting work plan. The IASB also decided to:
 - (i) continue to use the expertise of its advisory groups instead of establishing a consultative group.
 - (ii) work towards publishing an exposure draft as the next due process step. As contemplated in paragraph 5.5 of the *Due Process Handbook*, the IASB decided not to publish a discussion paper. The IASB made this decision because it concluded that it has sufficient evidence from its work to proceed directly to an exposure draft. In addition, the proposed amendments respond to application questions on IAS 28 *Investments in Associates and Joint Ventures* which are best illustrated in an exposure draft, as this would enable stakeholders to assess and provide feedback on the proposed new requirements.
 - (b) approved the publication of the Request for Information *Post-implementation Review of IFRS 9—Impairment* and set a comment period of 120 days.
10. At a supplementary meeting in April 2023 the IASB confirmed that all necessary due process steps had been taken to start the balloting process for the amendments to IAS 12 *Income Taxes* (International Tax Reform—Pillar Two Model Rules).
11. At a supplementary meeting in May 2023 the IASB confirmed that all necessary due process steps had been taken to start the balloting process and approved a 45-day comment period (confirmed by the DPOC at its May 2023 meeting) for the Exposure Draft *IFRS for SMEs Accounting Standard—Pillar Two*.
12. At the May 2023 meeting the IASB:
 - (a) confirmed that all necessary due process steps had been taken to start the balloting process for the exposure draft of proposed amendments to IAS 32 *Financial Instruments: Presentation*,

IFRS 7 *Financial Instruments: Disclosures* and IAS 1 *Presentation of Financial Statements*. It also set a 120-day comment period.

- (b) approved the publication of the Request for Information for the Post-Implementation Review of IFRS 15 *Revenue from Contracts with Customers* and set a comment period of 120 days.
- (c) confirmed that all necessary due process steps had been taken to start the balloting process for the exposure draft of the IASB's next *Annual Improvements to IFRS Accounting Standards Cycle* and set a comment period of 90 days.

Agenda paper compliance report¹

13. In the period February to May 2023, all agenda papers discussed by the IASB and the Interpretations Committee were made available on the public website unaltered. In April 2023 six IASB papers were posted after the posting deadline:
- (a) AP12: International Tax Reform—Pillar Two Model Rules—Cover paper;
 - (b) AP12A: International Tax Reform—Pillar Two Model Rules—Temporary exception to deferred tax accounting;
 - (c) AP12B: International Tax Reform—Pillar Two Model Rules—Disclosures;
 - (d) AP12C—International Tax Reform—Pillar Two Model Rules—Transition and effective date;
 - (e) AP12D: International Tax Reform—Pillar Two Model Rules—Due process; and
 - (f) AP12: International Tax Reform—Pillar Two Model Rules— Amendments to the IFRS for SMEs[®] Accounting Standard
14. Papers (a) to (e) were for a supplementary IASB meeting in April 2023. Papers (a), (b) and (c) were posted three days before the meeting. Papers (d) and (e) were posted two days before the meeting. Paper (f) was for a supplementary IASB meeting in May 2023 and was posted two days before the meeting. This timeframe was due to the urgency of these projects and the need to hold supplementary meetings.

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

Research and standard-setting updates

Business Combinations—Disclosures, Goodwill and Impairment

15. 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 business combinations and the subsequent accounting for goodwill (including whether to reintroduce

¹ 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.'

amortisation of goodwill and potential changes to the impairment test of cash-generating units containing goodwill in IAS 36 *Impairment of Assets*).

16. The IASB made its most significant decisions on this project in:
 - (a) September 2022, when it decided to proceed with proposals to require entities to disclose information about the subsequent performance of business combinations and quantitative information about expected synergies, with targeted accommodations to reflect practical concerns expressed by preparers, for example, commercial sensitivity, while retaining much of the benefit for users. However, more recently, as users become more familiar with the disclosure decisions, we are starting to hear concerns from them that some of the accommodations to mitigate preparer concerns may be going too far to also adequately meet user needs.
 - (b) November 2022, when the IASB decided to retain the impairment-only model because, based on analysis of extensive evidence and feedback, there is no compelling case for change. This decision maintains converged accounting between IFRS Accounting Standards and US GAAP.
17. During the period, the IASB has been working through:
 - (a) the more detailed aspects of disclosures; and
 - (b) possible amendments to the impairment test to improve its effectiveness at recognising impairment losses on a timely basis and to reduce the test's cost and complexity.
18. The IASB is nearing the end of its deliberations. Once the IASB has made tentative decisions on all aspects of the project, it will consider whether the package of decisions meets the project objective and whether it will publish an exposure draft setting out its proposals.

Primary Financial Statements

19. 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.
20. At its September 2022 meeting, the IASB completed redeliberations on the key aspects of the proposals in its Exposure Draft *General Presentation and Disclosures*, published in December 2019. From October 2022 to December 2022, the IASB conducted targeted outreach to obtain feedback on changes to the proposals in the Exposure Draft. The IASB participated in nearly 40 events covering all stakeholder types and regions. In January 2023 the IASB discussed the key messages received and the implications on the IASB's redeliberation plan for this project. Overall, most outreach participants supported the direction of the redeliberations as responding to feedback on the Exposure Draft and requested completion as soon as possible.
21. Since January 2023, the IASB has been redeliberating questions identified in the outreach. Most significantly, in May 2023, the IASB redeliberated tentative decisions about the classification of income and expense from associates and joint ventures accounted for using the equity method. Some in the insurance industry highlighted concerns that the IASB's decision to require classification of this income/expense in the investing category on the statement of profit or loss creates a mismatch with investment income and insurance finance expense that would be classified in the operating category. Some other preparers also expressed that such income/loss should be classified in the operating category. In contrast, some stakeholders, mainly users of financial statements, agreed with the IASB's tentative decision, noting that income and expenses from associates and joint ventures accounted for using the equity method represent a mix of income and expenses from all categories (operating, investing and financing), as well as income taxes, which affects margin analysis.

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22. At that May 2023 meeting, the IASB discussed a staff paper analysing the extensive feedback received and research conducted on this topic from the start of this project, including public consultation via an exposure draft; fieldwork; discussions with consultative groups; outreach before, during and after the exposure draft comment period to various stakeholders in different jurisdictions, including targeted outreach to users that specialise in the insurance industry; and analysis of financial statements, including several insurance companies. The May 2023 IASB meeting represented the fifteenth discussion on this topic since the start of the project, demonstrating board member sympathy for the issues raised, its extensive consideration of the nuanced concerns raised due to the variety of business models and regulatory environments around the world and its desire to achieve a balance across stakeholder needs.
23. In considering additional feedback received and research— including further views from users, information about the prevalence of the mismatch issue and consideration about the difficulty in articulating the population of equity method investments whose income/expense could be classified in the operating category to alleviate mismatch concerns— the IASB confirmed its previous tentative decision.
24. However, to help with the concerns raised, the IASB:
- (a) decided to allow an election upon adoption of the new Primary Financial Statements standard to measure these investments at fair value, which could substantially mitigate the mismatch concern; and
 - (b) observed that companies could present an additional subtotal immediately below 'income from operating activities' that presents income and expenses from associates and joint ventures and income from operating activities.
25. The IASB expects to complete deliberations on the remaining aspects of the model in June 2023 and complete due process steps in July, including deciding whether to re-expose some of the IASB's decisions. The staff also expects to conduct a life cycle review of this project with the DPOC at a future meeting.

Financial Instruments with Characteristics of Equity

26. In June 2018, the IASB published the Discussion Paper *Financial Instruments with Characteristics of Equity* (2018 DP). The 2018 DP set out the IASB's preferred approach to a comprehensive model for the classification of financial instruments as financial liabilities or equity instruments.
27. After considering feedback on the 2018 DP, the IASB refocused the project to make targeted amendments that would:
- (a) address known practice issues that arise when applying IAS 32 to classify financial instruments as financial liabilities or equity; and
 - (b) improve the information provided in the financial statements about the financial instruments issued by the entity.
28. In May 2023, the IASB concluded deliberations on an exposure draft and confirmed that all necessary due process steps had been taken to start the balloting process for the exposure draft of proposed amendments. It also set a 120-day comment period.

Management Commentary

29. The IASB published its Exposure Draft *Management Commentary* in May 2021. In response to the exposure draft, many stakeholders called for the IASB to advance the project in collaboration with the ISSB.
30. Since that time, the landscape surrounding the project has continued to evolve, notably with:
 - (a) the merger of the Value Reporting Foundation into the IFRS Foundation and the Integrated Reporting Framework becoming part of the materials of the IFRS Foundation.
 - (b) the publication of the ISSB's consultation on its agenda priorities. Among other questions, the ISSB's agenda consultation asks stakeholders about the priority of a project on 'integration in reporting', and whether that project should be undertaken in collaboration with the IASB and whether it should build on the Exposure Draft *Management Commentary* and/or the Integrated Reporting Framework.
 - (c) the ISSB's standards expected at the end of June. Those standards establish new connections between the sustainability reporting and the financial statements.
31. The IASB has effectively put its decision-making on the *Management Commentary* project on hold until additional feedback about a possible path forward for this project becomes available through the ISSB's consultation.
32. Nonetheless, the staff continue to conduct analysis that can support any future path for the *Management Commentary* project, regardless of how the project is ultimately undertaken (eg, jointly or independently). In this regard, the IASB and ISSB staff has analysed similarities and differences between the Integrated Reporting Framework and the Exposure Draft *Management Commentary*, consistent with the commitment by the Chairs of the IASB and ISSB in May 2022 to consider opportunities to address similarities and differences between the Exposure Draft *Management Commentary* and the Integrated Reporting Framework. In April 2023, the staff presented this analysis to and obtained feedback from the Advisory Council and Integrated Reporting and Connectivity Council. In May 2023, the IASB and ISSB staff presented this analysis and the feedback from the Advisory Council and Integrated Reporting and Connectivity Council to the IASB at a public education session.

Business Combinations under Common Control and Extractive Activities

33. Paragraph 4.9 of the *Due Process Handbook* states:

[t]he purpose of the Board's research programme is to analyse possible financial reporting problems by collecting evidence on the nature and extent of the perceived shortcoming and assessing potential ways to improve financial reporting or to remedy a deficiency. This analysis will help the Board decide whether it should undertake a standard-setting project to develop a proposal for a new IFRS Standard or to amend or replace a Standard...
34. Paragraph 5.7 of the *Due Process Handbook* states that '[t]he [IASB] adds a project to the [standard-setting] work plan only if it concludes that the benefits of the improvements to financial reporting will outweigh the costs'.
35. The IASB has two research projects underway—Business Combinations under Common Control and Extractive Activities—for which it expects to decide project direction in September. The IASB

published a discussion paper on Business Combinations under Common Control in November 2020. The IASB has not published any consultation documents on its Extractive Activities project.

36. For Business Combinations under Common Control, the IASB is questioning whether the benefits of proceeding are likely to outweigh the costs, noting, in particular, questionable interest in the accounting for these transactions from users of financial statements. The IASB is also observing differing views about the type of accounting that would result in useful information for users.
37. The staff is currently conducting outreach and research on both projects to inform the IASB's decisions. In deciding project direction, the IASB could decide to move the projects to standard-setting, with either the existing scope or a curtailed scope, or to terminate the project.

Post-implementation reviews

38. The IASB has two post-implementation reviews (PIRs) underway: one on the impairment requirements in IFRS 9 *Financial Instruments* and one on IFRS 15 *Revenue from Contracts with Customers*. During the period, the IASB concluded phase 1 of the PIR process on both PIRs. This phase involved outreach with a wide range of stakeholders from across the world and review of academic literature to determine what matters the IASB should seek feedback on in its Request for Information.
39. In February 2023, IASB decided which matters to include in its Request for Information on the PIR of the impairment requirements in IFRS 9. In April 2023, the IASB approved publication of the Request for Information, with a comment period of 120 days. The IASB published the consultation document in May 2023.
40. In March 2023, IASB decided which matters to include in its Request for Information on the PIR of IFRS 15. In May 2023, the IASB approved publication of the Request for Information, with a comment period of 120 days. The IASB will publish the consultation document in June 2023.

Supporting consistent application

Maintenance projects (narrow-scope amendments)

International Tax Reform—Pillar Two Model Rules

41. In December 2021, the Organisation for Economic Co-operation and Development (OECD) published its Pillar Two model rules. The rules are part of a two-pillar solution to address the tax challenges arising from the digitalisation of the economy and were agreed by more than 135 countries and jurisdictions representing more than 90% of global GDP.
42. In January 2023, the IASB published the Exposure Draft *International Tax Reform—Pillar Two Model Rules* (proposed amendments to IAS 12). The proposed amendments respond to stakeholders' concerns about the potential implications of the imminent implementation of the OECD's Pillar Two model rules for income tax accounting. The proposals would:
 - (a) introduce a temporary exception to the accounting for deferred taxes arising from the implementation of the rules; and
 - (b) require targeted disclosures for affected entities.
43. Due to the project's accelerated nature, the IASB decided to allow a comment period of 60 days for the Exposure Draft (the comment period ended on 10 March 2023). The DPOC approved this shortened comment period at its meeting in December 2022.

44. At a supplementary meeting in April 2023, the IASB considered feedback received and confirmed its proposals, with some modifications to the proposed disclosures in response to the feedback received. The IASB published the final amendments in May 2023.

International Tax Reform—Pillar Two Model Rules—IFRS for SMEs Accounting Standard

45. In April 2023, the IASB also considered emerging evidence from its ongoing outreach activities that the Pillar Two Model Rules also affect some entities that apply the *IFRS for SMEs Accounting Standard*. The IASB, therefore, added a narrow-scope project to its work plan to propose amendments similar to the amendments to IAS 12 described in paragraph 42.
46. The IASB concluded its decision-making at a supplementary meeting in May 2023 and gave permission to the staff to begin the balloting process for an exposure draft. It also decided on a 45-day comment period, subject to DPOC approval. The DPOC approved this shortened comment period at its meeting in May 2023.
47. The IASB published an exposure drafting proposing amendments to the *IFRS for SMEs Accounting Standard* in early June 2023.

Climate-related risks in the financial statements

48. IFRS Accounting Standards already require the accounting for climate-related risks in the financial statements. However, as part of the IASB's Third Agenda Consultation, stakeholders, especially users of financial statements, expressed concerns about the possible inconsistent application of IFRS Accounting Standards and insufficient information about climate-related risks in the financial statements. In response, the IASB decided to add a project to its pipeline to undertake further work to determine whether and how financial statements can better communicate information about climate-related risks.
49. In March 2023, the IASB made this project active. The project is a narrow-scope project to enable the IASB to deliver outcomes more quickly than a more comprehensive project. It will not seek to develop an IFRS Accounting Standard on climate-related risks, broaden the objective of financial statements, change the definition of assets or liabilities or develop accounting requirements for pollutant pricing mechanisms. Possible outcomes of this project could be more educational materials, illustrative examples or minor amendments to IFRS Accounting Standards.
50. The staff is currently undertaking research and outreach and will report back to the IASB in September 2023.

Interpretations Committee

51. The Interpretations Committee met in March 2023. At that meeting, the Interpretations Committee published three tentative agenda decisions and voted to finalise one agenda decision (see the table in Appendix B). The agenda decision was published in April 2023 following the IASB's April 2023 meeting at which the IASB—in accordance with paragraph 8.7 of the *Due Process Handbook*—confirmed that it did not object to the agenda decision. The agenda decision includes material explaining how the applicable principles and requirements in IFRS Accounting Standards apply to the transaction or fact pattern described in the agenda decision.
52. The Interpretations Committee also discussed:

- (a) two matters that have been raised as possible amendments in the next Annual Improvements to IFRS Accounting Standards cycle²; and
 - (b) the IASB's Business Combinations—Disclosures, Goodwill and Impairment project and provided views on possible changes to the requirements in IAS 36 *Impairment of Assets* relating to the impairment test for cash-generating units containing goodwill.
53. At 31 May 2023, there were:
- (a) two submissions recently received that the Interpretations Committee has not yet considered.
 - (b) one application question *Consolidation of a Non-hyperinflationary Subsidiary by a Hyperinflationary Parent* which the Interpretations Committee discussed at a prior meeting and on which staff is conducting further research and outreach. The Interpretations Committee will reconsider this question at a future meeting.

² Annual Improvements are narrow-scope or minor amendments to IFRS Standards that are packaged together and exposed in one document even though the amendments are unrelated. See paragraphs 6.10 to 6.15 of the *Due Process Handbook*.

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 ³
Research projects							
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	Q3 2023	✓ Date now publicly communicated	<ul style="list-style-type: none"> IASB discussed summary of feedback on DP in December 2021 and January 2022. IASB continued deliberations during the period. 	DP published Nov 2020 (comment period ended Sep 2021).	ASAF: Dec 2022 CMAC: Mar 2021 EEG: May 2023 GPF: Jun 2019
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 2023	✓	<ul style="list-style-type: none"> Staff conducting outreach with stakeholders. 	n/a	ASAF: Mar 2021 CMAC: Mar 2019 EEG: Dec 2019

³ 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 ³
PIR of IFRS 15	To assess the effects of the new requirements on entities, users, auditors and regulators	Request for Information	June 2023	✓	<ul style="list-style-type: none"> IASB started this PIR in September 2022. At its May 2023 meeting the IASB approved publication of RFI and set a 120-day comment period. 	n/a	ASAF: Dec 2022 EEG: Dec 2022 IC: Nov 2022 GPF: Nov 2022 IFCG: Nov 2022 CMAC: Oct 2022
PIR of IFRS 9 – Impairment	To assess the effects of the new requirements on entities, users, auditors and regulators	Request for Information Feedback	Nov 2023	✓	<ul style="list-style-type: none"> IASB started this PIR in July 2022 Comment period on RFI open until September 2023. 	RFI published May 2023	ASAF: Sep 2022 CMAC: Oct 2022 GPF: Nov 2022 IFCG: Nov 2022
Standard-setting projects							
Business Combinations—Disclosures, 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	Exposure Draft	H1 2024	✓ Date now publicly communicated	<ul style="list-style-type: none"> In December 2022, the IASB added the project to its standard-setting work plan and changed the project title to Business Combinations—Disclosures, Goodwill and Impairment. IASB continued deliberations during the period. 	DP published Mar 2020 (extended comment period ended Dec 2020)	ASAF: Mar 2023 CMAC: Mar 2023 EEG: Dec 2020 GPF: Mar 2023

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ³
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 Accounting Standard</i> and adapting them where there are recognition and measurement differences between the <i>IFRS for SMEs Accounting Standard</i> and IFRS Accounting Standards—that would apply on a voluntary basis to subsidiaries that do not have public accountability	IFRS Accounting Standard	2024	✓ Date now publicly communicated	<ul style="list-style-type: none"> • Comment period on ED ended 31 January 2022. • 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. • The IASB continued redeliberations during the period. 	ED published July 2021	ASAF: Mar 2023 GPF: Mar 2023 EEG: May 2023 SMEIG: Sep 2021

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ³
Disclosure Initiative—Targeted Standards-level Review of Disclosures	<p>To develop guidance for the IASB itself to use when developing and drafting disclosure requirements in IFRS Accounting Standards</p> <p>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></p>	Project Summary	Mar 2023	✓	<ul style="list-style-type: none"> • Comment period on ED ended 12 January 2022. • Based on feedback, the IASB: <ul style="list-style-type: none"> ▪ published guidance for developing and drafting disclosure requirements in IFRS Accounting Standards ▪ decided not to proceed with any further work on the disclosure requirements in IAS 19 and IFRS 13. • The Project Summary and Feedback Statement were published in March 2023 and this project has now been removed from the work plan. 	Project Summary and Feedback Statement published March 2023	ASAF: Jul 2022 CMAC: Jun 2021 EEG: Dec 2020 GPF: Jun 2021
Dynamic Risk Management	To develop an accounting model to better reflect how an entity'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	2025	<p>✓</p> <p>Date now publicly communicated</p>	<ul style="list-style-type: none"> • In November 2022 the IASB began discussions on the next phase in the development of the Dynamic Risk Model. • IASB continued deliberations during the period. 	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 ³
Equity method	To develop answers to application questions about the equity method, as set out in IAS 28 <i>Investments in Associates and Joint Ventures</i> , using the principles derived from IAS 28 where possible.	Exposure draft	2024	n/a (new milestone)	<ul style="list-style-type: none"> • Project moved from research to standard-setting work plan in April 2023. • IASB continued deliberations during the period. 	n/a	ASAF: Mar 2023 GPF: Nov 2022 EEG: Dec 2021 CMAC: Mar 2023
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	Q4 2023	✓	<ul style="list-style-type: none"> • IASB continued deliberations during the period. • In May 2023, the IASB confirmed that all necessary due process steps had been taken to start the balloting process for the exposure draft and set a 120-day comment period 	DP published Jun 2018	ASAF: Jul 2022 ASAF: Dec 2020 ASAF: Oct 2019 CMAC: Mar 2020 CMAC: Mar 2019 GPF: Nov 2018 EEG: Oct 2018 IFCG: May 2022

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ³
Management Commentary	To revise and update Practice Statement 1 <i>Management Commentary</i> issued in 2010	Decide Project Direction	H2 2023	✓ Date now publicly communicated	<ul style="list-style-type: none"> • Comment period on ED ended 23 November 2021 • The IASB received an update in Mar 2023 as part of an update on its work plan. • IASB discussed the staff's analysis of similarities and differences between the Management Commentary ED and the Integrated Reporting Framework in May 2023. 	ED published May 2021	<p>Management Commentary Consultative Group: Jul 2021 (private education session)</p> <p>IFRS Taxonomy Consultative Group: Nov 2021</p> <p>ASAF: Oct 2021 CMAC: Jun 2021 EEG: July 2021 GPF: Jun 2021 Advisory Council: Apr 2023 IRCC: Apr 2023</p>
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	2024	✓ Date now publicly communicated	<ul style="list-style-type: none"> • IASB continued deliberations during the period. 	ED published Dec 2019	<p>ASAF: Jul 2022 CMAC: Mar 2023 GPF: Mar 2022 ITCG: Feb 2023 EEG: May 2023</p>

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ³
Rate-regulated Activities	To develop a new accounting model to give users of financial statements better information about an entity's incremental rights and obligations arising from its rate-regulated activities	IFRS Accounting Standard	2025	✓ Date now publicly communicated	• IASB continued deliberations during the period.	ED published Jan 2021	Consultative Group for Rate Regulation: Oct 2022 ASAF: Mar 2023 CMAC: Mar 2021 GPF: Mar 2021 EEG: May 2021
Second Comprehensive Review of the <i>IFRS for SMEs</i> Accounting Standard	To undertake the second periodic comprehensive review of the <i>IFRS for SMEs</i> Accounting Standard	Exposure Draft Feedback	June 2023	✓	• Comment period on the Exposure Draft closed on 7 March 2023. Staff are currently analysing feedback from outreach and comment letters.	ED published Sep 2022	ASAF: Jul 2022 EEG: Dec 2022 SMEIG: Oct 2022 IFCG: Nov 2022

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document
Maintenance projects						
Amendments to the Classification and Measurement of Financial Instruments	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; to address the accounting for electronic transfers of cash; and to require disclosures for investments in equity instruments to which the OCI presentation option is applied.	Exposure Draft Feedback	Q3 2023	n/a (new milestone)	<ul style="list-style-type: none"> IASB published the Exposure Draft in March 2023. The Exposure Draft is open for comment until 19 July 2023. 	ED published Mar 2023
Annual Improvements	To address a variety of minor amendments	Exposure Draft	Q3 2023	n/a (new milestone)	<ul style="list-style-type: none"> In May 2023 the IASB confirmed that all necessary due process steps had been taken to start the balloting process for the exposure draft of the IASB's next <i>Annual Improvements to IFRS Accounting Standards Cycle</i> and set a comment period of 90 days. 	n/a
Climate-related risks in the financial statements	To explore whether and how financial statements can better communicate information about climate-related risks.	Review research	Q3 2023	n/a (new milestone)	<ul style="list-style-type: none"> In Mar 2023 the IASB added this project to its work plan The IASB is conducting research and outreach 	n/a
International Tax Reform – Pillar Two Model Rules	To introduce a temporary exception to the accounting for deferred taxes arising from the implementation of Pillar Two model rules and targeted disclosure requirements.	IFRS Accounting Standard	May 2023	n/a (new milestone)	<ul style="list-style-type: none"> In Apr 2023 the IASB decided to finalise the amendments without re-exposure and confirmed that all necessary due process steps had been taken to start the balloting process. Final amendments were issued in May 2023 and this project has now been removed from the work plan. 	Final amendments issued May 2023

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document
Amendments to the IFRS for SMEs Accounting Standard – International Tax Reform – Pillar Two Model Rules	To consider an urgent amendment to Section 29 <i>Income Tax</i> of the <i>IFRS for SMEs Accounting Standard</i> to align with similar amendments to IAS 12 <i>Income Taxes</i> .	Exposure Draft	June 2023	n/a (new milestone)	<ul style="list-style-type: none"> At a supplementary in May 2023 meeting the IASB confirmed that all necessary due process steps had been taken to start the balloting process and approved a 45-day comment period (confirmed by the DPOC at its May 2023 meeting) for the ED. 	n/a
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.	IFRS Accounting Standard Amendment	Aug 2023	✓	<ul style="list-style-type: none"> IASB discussed the effective date, transition and due process steps at its February 2023 meeting and confirmed that all necessary due process steps had been taken to start the balloting process 	ED published Apr 2021
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	H2 2023	✓ Date now publicly communicated	<ul style="list-style-type: none"> IASB continued deliberations and outreach during the period. 	n/a
Supplier Finance Arrangements	To improve information provided to users of financial statements to enable them to assess the effects of an entity’s supplier finance arrangements on its liabilities, cash flows and exposure to liquidity risk.	IFRS Accounting Standard Amendment	May 2023	✓	<ul style="list-style-type: none"> IASB discussed the effective date, transition and due process steps at its February 2023 meeting, and confirmed they were satisfied that the IASB has complied with the applicable due process requirements and has undertaken sufficient consultation and analysis to begin the process for balloting the amendments. Final amendments were issued in May 2023 and this project has now been removed from the work plan. 	Final amendments issued May 2023

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document
IFRS Accounting Taxonomy projects						
IFRS Accounting Taxonomy Update—Amendments to IAS 12, IAS 21, IAS 7 and IFRS 7	To reflect amendments to the following IFRS Accounting Standards: <ul style="list-style-type: none"> • International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12) • Lack of Exchangeability (Amendments to IAS 21) • Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) 	Proposed IFRS Taxonomy Update	Q3 2023	n/a (new milestone)	Staff are currently drafting this PTU	N/A
IFRS Accounting Taxonomy Update – Primary Financial Statements	To consider changes to the IFRS Accounting Taxonomy resulting from the Primary Financial Statements project, which is proposing requirements for presentation and disclosure in financial statements, with a focus on the statement of profit or loss.	Proposed IFRS Taxonomy Update	2024	n/a (new milestone)	Staff are currently developing 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 ⁴	All applicable due process steps completed
<i>Amendments to the Classification and Measurement of Financial Instruments— Proposed amendments to IFRS 9 and IFRS 7</i>	Exposure Draft	March 2023	November 2022	✓
<i>Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)</i>	Final Amendments	May 2023	February 2023	✓
<i>International Tax Reform—Pillar Two Model Rules (IAS 12)</i>	Final Amendments	May 2023	April 2023	✓

Other due process documents

Due process document	Due process stage	Date published	Due process reviewed by IASB ³	All applicable due process steps completed
Disclosure Initiative—Targeted Standards-level Review of Disclosures	Project Summary and Feedback Statement	March 2023	October 2022	✓
<i>Post-implementation Review of IFRS 9—Impairment</i>	Request for Information	May 2023	April 2023	✓

⁴ 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.

IFRS Accounting Taxonomy due process documents

Due process document	Due process stage	Date published	All applicable due process steps completed
IFRS Accounting Taxonomy Update—2022 General Improvements and Common Practice	Taxonomy Update	March 2023	✓
IFRS Accounting Taxonomy Update—Amendments to IFRS 16 and IAS 1	Taxonomy Update	March 2022	✓

Submissions discussed by the IFRS Interpretations Committee

Topic	Current due process stage	Date published	Approved by Interpretations Committee	IASB not object ⁵	All applicable due process steps completed	Next step	Remarks
Definition of a Lease—Substitution Rights (IFRS 16)	Agenda decision	27 April 2023	14 March 2023	26 April 2023	✓	N/A	N/A
Guarantee over a Derivative Contract (IFRS 9)	Tentative agenda decision	22 March 2023	14 March 2023	N/A	✓	Tentative agenda decision feedback	The Interpretations Committee will consider feedback on the tentative agenda decision at a future meeting.
Homes and Home Loans Provided to Employees	Tentative agenda decision	22 March 2023	14 March 2023	N/A	✓	Tentative agenda decision feedback	The Interpretations Committee will consider feedback on the tentative agenda decision at a future meeting.
Premiums Receivable from an Intermediary	Tentative agenda decision	22 March 2023	14 March 2023	N/A	✓	Tentative agenda decision feedback	The Interpretations Committee will consider feedback on the tentative agenda decision at a future meeting.

⁵ 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.