

## Q&A—*Due Process Handbook*

### **What is the *Due Process Handbook*?**

The *Due Process Handbook* is the document that sets out the procedures the International Accounting Standards Board complies with in setting IFRS® Standards, and the IFRS Interpretations Committee complies with in developing materials to support consistent application of the Standards—IFRIC® Interpretations and agenda decisions.

The process is based on three principles: transparency, full and fair consultation and accountability.

The meetings of the two bodies are available for anybody to observe or watch on the IFRS Foundation's website; papers prepared for those meetings are also published; and new Standards or amendments are consulted on publicly so that the Board takes into account a wide range of stakeholder views when making decisions.

The *Handbook* specifies the minimum steps the Board and the Interpretations Committee must take as well as optional steps the two bodies can choose to take in standard-setting.

It also sets out:

- voting requirements for standard-setting decisions;
- restrictions on technical discussions among Board members outside the monthly Board meetings;
- the minimum requirements for consulting different stakeholder groups;
- specific requirements for the contents of a Standard; and
- communication about the publication of a Standard to stakeholders.

### **Why are the Trustees proposing to amend it?**

The Trustees periodically review the *Handbook*. The last substantial review took place in 2013. The Trustees are carrying out such a review now and have proposed some amendments to ensure that the due process remains fit for purpose and continues to reflect best practice.

### **What are the Trustees proposing to amend?**

The main proposed changes are to update the procedures relating to the use of effects analysis—assessing the likely effects of a new or amended IFRS Standard—to make it clear that such analyses take place throughout the standard-setting process. They are also clarifying the role and status of agenda decisions published by the IFRS Interpretations Committee and propose to make agenda decisions a tool for the Board.

The proposed amendments also aim to clarify the categories of education material produced by the IFRS Foundation; refine the consultation requirements for adding major projects to the Board's work plan; clarify the role of the IFRS Advisory Council and clarify the role of the Due Process Oversight Committee (DPOC) in overseeing the IFRS Taxonomy due process.

**What is the timeframe for the amendments?**

The consultation on the proposed amendments ends 29 July 2019 and the aim is to publish a revised *Handbook* early in 2020.

**What is the Trustees' role in relation to the *Due Process Handbook*?**

The Trustees oversee the operations of the Board and the Interpretations Committee. A Trustee Committee, the DPOC, is responsible for overseeing the Board's and the Interpretations Committee's compliance with the due process.

In practice that means, for example, that the DPOC checks that stakeholders have been consulted at the necessary stages of the development of a Standard. The DPOC is also responsible for reviewing and—if necessary—proposing updates to the *Handbook* to ensure it reflects best practice.

The Board and the Interpretations Committee report regularly to the DPOC on the due process steps they have taken in a project.

**When was the *Due Process Handbook* created and when was it last amended?**

The due process has been in place since the Board was established in 2001; however, the due process was first codified in a *Handbook* in 2006.

The last substantial review and update of the *Handbook* was finalised in January 2013. In 2016, the Trustees added a chapter on the IFRS Taxonomy due process.