

TEXT OF E-MAIL FROM MICHELLE SANSOM TO DUE PROCESS OVERSIGHT COMMITTEE (DPOC)

Date: 14 July 2014

Dear DPOC members

The IASB will hold its July 2014 meeting next week. There are three projects where the topics are considered relevant to the DPOC. The projects are discussed below and the relevant papers attached to this email.

Rate Regulation (Agenda Ref 09)

This paper seeks the IASB's permission to ballot the Discussion Paper (DP) on Rate-regulated Activities. The staff originally sought this permission at the IASB's April 2014 meeting but as additional input has subsequently been sought for the DP, the staff are now confirming that the IASB is ready to proceed with the DP.

The aim of the DP is to help identify which characteristics of rate regulation might give rise to special information needs. It is anticipated that the feedback received to the DP will help provide a clearer basis for the IASB to assess the purpose and practicality of any future guidance that may need to be developed to account for rate regulation.

The agenda paper sets out (paragraphs 5 to 12) how the DP has been developed, including the Request for Information published in March 2013. An updated confirmation that the necessary due process steps, prior to publication of the DP, have been completed is set out in Appendix to the paper.

In accordance with the Due Process Handbook, a 120 day comment period is proposed.

Disclosure Initiative

Establishing a consultative group (Agenda Ref 11A)

As outlined at the DPOC meeting last week (DPOC, July 2014, Agenda Ref 3E), the Disclosure Initiative project is pervasive in nature rather than addressing a particular technical accounting topic. As a consequence this paper recommends that the project staff continue to consult with a wide range of the constituents, including the IASB's existing consultative groups (in particular ASAF, CMAC, and the GPF); rather than establish a separate group for this project.

Amendments to IAS 7 (Agenda Ref 11D)

This paper seeks the IASB's permission to ballot the Exposure Draft (ED) of Amendments to IAS 7 *Statement of Cash Flows*. This ED will propose narrow-scope amendments to IAS 7 which aim to improve users' understanding of changes in an entity's liabilities that relate to cash flows from financing activities and enhance disclosures about cash and cash equivalents. The proposed amendments respond to requests from users to improve disclosures in these areas.

Confirmation that the due process steps to date have been completed is set out in Appendix B of the paper.

In accordance with the Due Process Handbook, a 120 day comment period is proposed.

Annual Improvements

2012-2014 Cycle (Agenda Ref 12A)

This paper seeks the IASB's permission to finalise its Exposure Draft (ED/2013/11) *Annual Improvements to IFRSs 2012-2014 Cycle*. The ED was published in December 2013 and the comment period closed in March 2014. The IASB received 64 comment letters.

The IASB discussed the comment letter analyses and recommendations from the Interpretations Committee at its June 2014 meeting. It decided to finalise all of the proposed improvements as proposed in the ED, subject to providing some additional clarifications. The effective date of the improvements will be 1 January 2016.

Re-exposure is not proposed; staff have considered the requirements in paragraphs 6.25-6.29 of the Due Process Handbook.

Confirmation that the due process steps to finalise these improvements have been completed is set out in Appendix B of the paper.

2013-2015 Cycle and 2014-2016 Cycle (Agenda Ref 12B)

This paper proposes that as only one item has been identified for inclusion in the Annual Improvements Cycle for 2013-2015 that the IASB does not continue with this cycle and carries forward the one identified item into a 2014-2016 Cycle. The item, which proposes the deletion of some short-term exemptions in IFRS 1 *First-time Adoption of International Financial Reporting Standards* after they have served their intended purpose, is not assessed as being a time-critical one that should be implemented as soon as possible.