

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

Date: 13 October 2014

Dear DPOC members

The IASB will hold its October 2014 next week in London. The purpose of this email is to bring to your attention those items on the IASB's agenda that are relevant to the DPOC. The relevant papers are attached to this email.

Conceptual Framework (Agenda paper 10H)

Agenda paper 10H seeks permission to ballot the *Conceptual Framework* Exposure Draft (ED). The DPOC has received regular reports on the progress of the *Conceptual Framework* project. The agenda paper sets out how the ED has been developed following the publication of the Discussion Paper (DP) *A Review of the Conceptual Framework for Financial Reporting* in July 2013. The DP had a 180 day comment period that ended in January 2014.

Appendix A of agenda paper 10H sets out the due process steps undertaken in developing the ED. It is noted that the IASB received 220 comment letters to the DP and since the publication of the DP IASB members and staff have conducted over 150 outreach meetings, including 26 meetings with investors and analysts. Outreach efforts following completion of the DP include:

- (a) public [round-table meetings](#) in London, Toronto, São Paulo and Tokyo held in October and November 2013;
- (b) outreach meetings organised by local standard-setters in Southern Africa, Europe, East Asia, Latin America and North America;
- (c) discussions with the specialist advisory bodies to the IASB such as the Capital Markets Advisory Committee (CMAC) and the Global Preparers Forum (GPF);
- (d) presentations and debate at various IFRS conferences, including presentations at World Standard-setters and IFRS conferences; and
- (e) meetings with groups or individuals, from various backgrounds, including preparers, auditors, national standard-setters, academics, regulators and targeted outreach with investors and analysts.

As the paper highlights, summaries of the feedback, including a summary of user feedback, are available on the comprehensive project website. In addition, when the ED is issued, it will be accompanied by a 'Snapshot' document that will explain how the IASB has addressed the main feedback received.

The IASB is also asked to consider what comment period it considers appropriate for the ED. The IASB staff note that the *Conceptual Framework* will have a profound and overarching effect on the future standard-setting process and that the staff think that a longer comment period than the normal comment period of 120 should be considered by the IASB.

IASB members are also asked if they intend to dissent from the publication of the ED.

Amendments to IAS 1 *Presentation of Financial Statements* (Disclosure Initiative) (Agenda paper 11B(c))

The IASB published proposed amendments to IAS 1 *Presentation of Financial Statements* in 25 March 2014. The objective of the ED was to clarify existing presentation and disclosure requirements in IAS 1 and to address perceived barriers to the application of judgment in implementing those requirements.

Agenda paper 11B(c) sets out the due process steps undertaken by the IASB since publication of the ED and seeks the IASB's permission to finalise the amendment. Appendix A of the paper summarises the due process steps.

The ED was open for comment for 120 days and closed for comment on 23 July 2014. The IASB received 118 comment letters and discussed an overview of the comment letters at its meeting in September 2014. Overall the feedback was supportive of the proposed amendments.

The IASB staff believe that the proposed amendments to the proposals in the ED that are to be discussed at the October meeting confirm and clarify the proposals in the ED. It is not considered that fundamental changes are being made to the proposals in the ED and, therefore, re-exposure is not proposed.

It is anticipated that the amendment will be issued in December 2014. An effective date of 1 January 2016 is proposed as is early application.

Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Venture Entities* (Agenda paper 4E)

As reported to the DPOC in April 2014, the IASB published a number of proposed clarifications about the application of the exemption from consolidation for investment entities, including whether the exemption is extended to joint venture and associate entities.

Agenda paper 4E sets out the due process steps undertaken by the IASB since publication of the ED and seeks the IASB's permission to finalise the amendment. Appendix A of the paper summarises the due process steps.

The ED had a shorter than normal comment period of 96 days so that the amendment could potentially be applied for annual periods commencing 1 January 2014. The IASB thought that it was important to provide these clarifications during 2014, because entities are required to apply the original *Investment Entities* amendment for annual periods beginning on or after 1 January 2014. We did not receive any comments about the length of the comment period.

The ED closed for comments on 15 September 2014. The IASB received 80 comment letters. The IASB will receive an analysis of the comment letters at its October 2014 meeting and will also be asked to consider how to respond to the feedback received on the proposals in the ED.

The IASB staff consider that its recommendations on how to address the feedback received would not require re-exposure.