

**TEXT OF E-MAIL FROM MICHELLE SANSOM TO DUE PROCESS OVERSIGHT COMMITTEE (DPOC)**  
**Date: 13 October 2015**

**Report to the Due Process Oversight Committee—October 2015**

The IASB will hold its next meeting in the week commencing 19 October 2015 in London. In addition to the papers you will be discussing at your meeting on 15 October 2015 regarding the different effective dates of IFRS 9 *Financial Instruments* and IFRS 4 *Insurance Contracts* there are three further papers for the attention of the DPOC:

- Agenda Paper 3B: Leases— *Effective Date*
- Agenda Paper 11A: Disclosure Initiative— *Principles of Disclosure, Due process and Permission to ballot*
- Agenda Paper 11C: Disclosure Initiative- *IAS 7 Due process steps and balloting*

Copies of the agenda papers are attached to this email.

**Agenda Paper 3B: Leases— *Effective Date***

The drafting of the new *Leases* Standard is progressing and in accordance with the planned timetable, it is expected that it will be ready for publication before the end of 2015. The DPOC completed its life-cycle review of the Leases project in April 2015. This due process paper therefore addresses only the effective date of the new *Leases* Standard.

Agenda paper 3B proposes that:

- (a) entities apply the new *Leases* Standard for annual periods beginning on or after 1 January 2019;
- (b) early application of the new *Leases* Standard is permitted, subject to the recommendation in paragraph (c) below; and
- (c) entities are prohibited from applying the new *Leases* Standard before applying IFRS 15 *Revenue from Contracts with Customers* (an entity would be permitted to apply both the new *Leases* Standard and IFRS 15 for the first time in the same reporting period).

In developing these proposals, the IASB staff have performed outreach with respect to the effective date of the new *Leases* Standard, focused on gaining preparer input.

**Agenda Paper 11A: Disclosure Initiative— *Principles of Disclosure, Due process and Permission to ballot***

The IASB's approval is being requested for permission to publish a discussion paper (DP) addressing the *Principles of Disclosure*, which is part of the Disclosure Initiative.

The development of the DP has been driven by the objective of the Disclosure Initiative, which is to make disclosures in financial statements more effective. The DP is a first step towards issuing a General Disclosure Standard to revise or replace parts of IAS 1 *Presentation of Financial Statements*.

The IASB has discussed the development of the DP during 2014 and 2015. The IASB has also sought input from:

- Accounting Standards Advisory Forum;
- Global Preparers Forum;
- Capital Markets Advisory Committee; and

- 2014 and 2015 World Standard-setters meetings.

Appendix A of the paper summarises the due process steps.

The staff are proposing a comment period of 120 days for the DP.

**Agenda Paper 11C: Disclosure Initiative- IAS 7 *Due process steps and balloting***

On 18 December 2014, the IASB published an exposure draft with the objective of improving disclosures provided to users of financial statements about an entity's liabilities related to financing activities and cash and cash equivalents (the liquidity of an entity).

At its September 2015, meeting the IASB tentatively decided to proceed with the proposals to improve disclosures about an entity's liabilities related to financing activities, subject to some clarifications required in response to feedback received on the proposals in the ED.

At its October 2015, meeting the IASB will consider whether to continue with the proposals to improve disclosures provided about an entity's cash and cash equivalents or whether to decouple the proposed amendments and proceed only with the disclosures about liabilities related to financing activities.

Subject to the IASB's decision, the staff do not think that there has been a fundamental change from the proposals in the ED and do not consider re-exposure is necessary. The staff are therefore requesting permission to start the balloting process.

IASB members will also be asked if any member intends to dissent from the final amendment.

The balloting process for the amendments to IAS 7 is planned to commence in October 2015, with publication of the final amendment expected to follow in December 2015.

It is proposed that the effective date for the final amendments is 1 January 2017.

This report is primarily for information and to provide the DPOC with assurance that the IASB is reviewing the due process steps and fulfilling the requirements of the *Due Process Handbook* as these projects progress.

Please do not hesitate to contact me if you have any questions.