

Dear DPOC members,

The International Accounting Standards Board (the Board) will hold its next meeting the week commencing 23 October 2017. There are three matters to be brought to the attention of the Due Process Oversight Committee (DPOC):

1. Accounting policy changes (amendments to IAS 8), Due Process Steps (Agenda paper 12A);
2. Definition of a business, Due process followed (Agenda paper 13C); and
3. IFRS Taxonomy Update IFRS 17 *Insurance Contracts*, Finalisation of the changes to the IFRS Taxonomy (Agenda paper 25).

Agenda paper 12A: Accounting policy changes (amendments to IAS 8), Due Process Steps

The Board will be asked if it is satisfied that it has complied with applicable due process requirements and undertaken sufficient consultation and analysis to start the balloting process for an exposure draft (ED) of proposed amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* for voluntary changes in accounting policies. In addition the Board will be asked whether any member intends to dissent.

The ED will propose lowering the impracticability threshold regarding retrospective application of voluntary changes in accounting policies that result from Agenda Decisions published by the IFRS Interpretations Committee. The proposed threshold would include a consideration of the costs and benefits of applying the change retrospectively.

The staff are proposing a comment period of 120 days which is the usual comment period for an ED.

A summary of the due process steps is set out in appendix A of agenda paper 12A.

Agenda paper 13C: Definition of a business (amendments to IFRS 3), Due process followed

The Board will be asked if it is satisfied that:

1. the due process requirements have been met to issue amendments to IFRS 3 *Business Combinations* relating to the definition of a business, and
2. it has undertaken sufficient consultation and analysis to start the balloting process. In addition the Board will be asked whether any member intends to dissent.

The Board published an ED *Definition of a Business and Accounting for Previously Held Interests* in June 2016. The ED included proposals to clarify the definition of a business, following feedback received during the post-implementation review of IFRS 3.

The ED was open for comment for 120 days and the Board received 80 comment letters.

The Board received a summary of the comment letters at its meeting in February 2017 and has considered the comments on the ED at its meetings in April and June 2017. The Board plans to conclude its deliberations of the comments on the ED at its October 2017 meeting.

The staff are not recommending re-exposure as overall respondents supported the proposals and the Board's tentative decisions are not considered to be substantial changes. The staff are recommending that the amendments are effective from 1 January 2020, with early application permitted. It is anticipated that the amendments will be issued in H1 of 2018.

The due process steps are summarised in Appendix A of Agenda paper 13C.

Agenda paper 25: IFRS Taxonomy Update IFRS 17 *Insurance Contracts*, Finalisation of the changes to the IFRS Taxonomy

The Board is being asked to approve the IFRS Taxonomy Update IFRS 17 *Insurance Contracts*.

The Board published a Proposed IFRS Taxonomy Update (PTU) IFRS 17 *Insurance Contracts* in May 2017. The Board approved the PTU at the same time it approved IFRS 17. The PTU was published in May 2017, the same month that IFRS 17 was issued.

The PTU was open for comment for a period of 120 days. The normal comment period for a PTU is 60 days, this period was extended reflecting the complexity of the document. The comment period ended on 18 September 2017; the Board did not receive any comments. The IFRS Taxonomy Consultative Group (ITCG) reviewed a draft of the PTU in February 2017.

The due process requirements for IFRS Taxonomy Updates is set out in the Appendix of agenda paper 25.

The staff are not planning to make significant changes to the PTU and plan to issue the Update in November 2017 after the balloting process has been finalised.

Agenda papers 12A, 13C and 25 are attached to this email.

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