

## **Report to the Due Process Oversight Committee—June 2017**

The IASB (the Board) will hold its next meeting the week commencing 19 June 2017. There is one matter to be brought to the attention of the Due Process Oversight Committee (DPOC).

### **Amendments to IAS 28 Investments in Associates and Joint Ventures—Long-term interests (Agenda paper 12A)**

The Board published the Exposure Draft *Annual Improvements to IFRS Standards 2015—2017* (the ED) in January 2017. One of the proposed amendments included in the ED relates to IAS 28 *Investments in Associates and Joint Ventures*. This amendment aims to clarify that a company applies IFRS 9 *Financial Instruments* to long-term interests in an associate or joint venture if it does not apply the equity method to those interests.

At its meeting in May 2017 the Board discussed the feedback to the ED and tentatively decided to affirm the proposals, subject to clarifications. At its meeting in June 2017 the Board will be asked if it is satisfied that the due process requirements have been met. The due process steps are summarised in Appendix A of Agenda paper 12A.

The staff are not recommending re-exposure as most respondents supported the proposed amendment and no substantial issues were identified that the Board had not previously considered.

Subject to the Board confirming it is satisfied that the due process steps have been met, the staff plan to start the balloting process in July 2017 and issue the amendment in September 2017. The amendment will have an effective date of 1 January 2019. The Board has decided to accelerate completion of this amendment in advance of other proposals in the ED so that an entity may apply the amendment at the same time that it first applies IFRS 9. IFRS 9 is effective for annual periods beginning on or after 1 January 2018.

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.

If you have any questions please do not hesitate to contact me.