

## Report to the Due Process Oversight Committee—March 2017

The International Accounting Standards Board (the Board) will hold its next meeting the week commencing 20 March 2017. There are two items to be brought to the attention of the Due Process Oversight Committee (DPOC):

- 1) Financial Instruments with Characteristics of Equity: *Due process and permission to ballot* (agenda paper 5D).
- 2) Conceptual Framework: *Due process summary for references to the Conceptual Framework* (agenda paper 10C)

### **Agenda paper 5D: Financial Instruments with Characteristics of Equity: *Due process and permission to ballot***

The objective of this paper is to obtain the Board's permission to ballot a Discussion Paper (DP) on Financial Instruments with Characteristics of Equity (FICE) and to agree the comment period for the DP.

The Board recommenced its research project on FICE in October 2014, following feedback from the 2011 Agenda Consultation. In addition, a number of questions related to FICE have been submitted to the IFRS Interpretations Committee.

The objective of the DP is to obtain feedback on whether the Board should add a standard-setting project to its work plan to improve IAS 32 *Financial Instruments: Presentation*.

The due process steps undertaken in developing the DP are set out in the appendix of agenda paper 5D. The staff are of the view that the Board has completed all the steps necessary to ensure that the DP is likely to meet its purpose.

The staff are recommending a comment period of 180 days; this recommendation takes into consideration that constituents will need time to consider and respond to the new ideas to be included in the DP.

### **Agenda paper 10C: Conceptual Framework: *Due process summary for references to the Conceptual Framework***

The objective of this paper is to obtain the Board's permission to commence the balloting process for *Updating References to the Conceptual Framework*. This document will replace references in IFRS Standards to the *Framework*, as issued in 1989, to the revised *Conceptual Framework for Financial Reporting*.

This document complements the revised *Conceptual Framework*. At its meeting in February 2016 the Board confirmed it had completed all the necessary due process steps on the revised *Conceptual Framework* project and instructed the staff to commence the balloting process.

The due process steps undertaken in developing this due process document are set out in the appendix of agenda paper 10C. The staff are of the view that the Board has completed all the necessary due process steps and request permission to start the balloting process.

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The staff are not recommending re-exposure as no new substantive issues have emerged during the comment period.

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.