

Monthly Report to the Due Process Oversight Committee September 2018

Dear DPOC members,

The International Accounting Standards Board (Board) will hold its next meeting in London the week commencing 17 September 2018. There are two matters to be brought to the attention of the Due Process Oversight Committee (DPOC):

- a) Agenda Paper 12: Costs considered in assessing whether a contract is onerous (IAS 37) — Due Process Steps;
- b) Agenda Paper 21E: Primary Financial Statements: Project proposal – moving the project to the standard-setting programme.

Agenda Paper 12: Costs considered in assessing whether a contract is onerous (IAS 37) — Due Process Steps

The Board are reviewing the due process steps undertaken in developing a narrow-scope Exposure Draft of proposed amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The Exposure Draft will propose adding some additional guidance to narrow diversity in practice about applying the definition of an onerous contract in IAS 37. The staff will seek the Board's approval to begin the Balloting process for the Exposure Draft with the aim of issuing it in the fourth quarter of 2018.

In accordance with paragraph 6.7 of the *Due Process Handbook* the staff are recommending a 120-day comment period for the Exposure Draft.

Agenda paper 12 is attached to this email; Appendix A sets out the due process steps undertaken.

Agenda Paper 21E: Primary Financial Statements: Project proposal – moving the project to the standard-setting programme

This paper asks the Board for approval to move the Primary Financial Statements project from the research programme to the standard-setting programme. The paper also describes the input recently received from the Board's Consultative Bodies ASAF and the Advisory Council. Both Bodies have been consulted on this matter as required by Paragraph 5.6 of the *Due Process Handbook*.

Agenda Paper 21E also asks the Board to consider whether it should establish a consultative group for the Primary Financial Statements project as required by paragraph 3.59 of the *Due Process Handbook*. The staff recommendation is to not establish a project specific consultative group because the Board's existing consultative groups have the necessary practical experience and expertise to continue to advise on this project.

The paper notes that the staff will ask the Board at a later date to determine if the first consultative document for the Primary Financial Statements project should be a Discussion Paper or an Exposure Draft.

Agenda Paper 21E is attached.