

## Report to Due Process Oversight Committee April 2020

Dear DPOC members,

The Board will meet on Friday 17 April and next week by video conference. We draw your attention to the following three papers:

- Agenda paper 32 *Board timelines—Impact of covid-19*
- Agenda paper 32A *Classification of Liabilities as Current or Non-current (effective date delay)—Due process steps and permission to begin the balloting process*
- Agenda paper 32B *IFRS 16 and covid-19—Accounting for covid-19-related rent concessions*

### **Agenda paper 32 Board timelines—Impact of covid-19**

This paper considers how the Board can assist stakeholders during the current covid-19 pandemic by adjusting its timelines. The staff are recommending the Board:

- delay by one year the effective date of the recently-issued *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)*.
- extend the consultation period by (approximately) three months for the following open consultation documents:
  - the Exposure Draft *General Presentation and Disclosures*;
  - the Request for Information *Comprehensive Review of the IFRS for SMEs Standard*; and
  - the Discussion Paper *Business Combinations—Disclosures, Goodwill and Impairment*.

The Board will also consider delays to the publication dates of forthcoming major consultations.

No changes are being recommended to the timing of the IBOR Phase 2 amendments and the amendments to IFRS 17 *Insurance Contracts*.

Given the uncertainty and evolving nature of the challenges arising from the pandemic, the staff will continue to monitor the situation and assess whether to recommend further changes in the future.

### **Agenda paper 32A *Classification of Liabilities as Current or Non-current (effective date delay)—Due process steps and permission to begin the balloting process***

If the Board decides to delay the effective date of *Classification of Liabilities as Current or Non-current*, it needs to publish an exposure draft. This paper recommends a comment period of 30 days for that exposure draft. **This is subject to approval by the DPOC and is being discussed at the DPOC meeting on 16 April 2020.** The paper also asks the Board to confirm it is satisfied that it has complied with the applicable due process requirements so that the balloting process can commence.

**Agenda paper 32B IFRS 16 and covid-19—Accounting for covid-19-related rent concessions**

This paper recommends that the Board publish an exposure draft proposing an amendment to IFRS 16 *Leases* to provide operational relief for lessees in accounting for covid-19-related rent concessions. It also recommends a short comment period of 14 days for that exposure draft, given the need for any amendment to be finalised expeditiously for the proposed relief to have the desired effect. The short comment period, **which is also to be discussed by the DPOC at its meeting on 16 April**, requires approval from the Trustees.

The paper asks the Board to confirm it has complied with the applicable due process steps so that the balloting process can commence (subject to obtaining approval from the Trustees for the short comment period).

The three papers are attached for your information.