

# Financial Instruments Consultative Group

## Terms of Reference and Operating Procedures

The Financial Instruments Consultative Group (Consultative Group) is a group of appointed members comprising preparers and users of financial statements with expertise relating to financial instruments. This document sets out the terms of reference and the operating procedures of the Consultative Group.

### Objectives of the Consultative Group

1. The Consultative Group provides the International Accounting Standards Board (IASB) access to practical experience and expertise from stakeholders in different geographical locations and industries to inform the IASB's work related to financial instruments.
2. The remit of the Consultative Group is to consider research and analysis undertaken by the IFRS Foundation's staff and to provide advice to the IASB in developing proposals and requirements related to accounting for financial instruments.

### Organisational structure

#### *Membership*

3. The Consultative Group will have between 10 and 15 members.
4. Members of the Consultative Group are appointed in an individual capacity and are expected to express their individual views, rather than the views of their organisations. However, members may find that they wish to consult with their networks about a particular topic, and such consultations are encouraged.
5. The Consultative Group is required to provide an appropriate balance of user and preparer perspectives from different regions and industries to achieve its objectives. Therefore, the need to establish appropriate geographical and industry representation will be considered in reviewing applications.
6. The main qualifications for membership shall be professional competence and practical preparer or user experience. Members should be capable of providing technical expertise and practical knowledge of accounting for financial instruments.
7. Members of the Consultative Group shall serve on a voluntary, unpaid basis and be responsible for their own travel and accommodation costs when attending meetings.

8. Members are appointed for a 1–3-year term to facilitate membership rotation and ensure continuity in the Consultative Group’s activities. Terms can be renewed but the period a member can serve on the Consultative Group usually would not exceed six years.
9. The Due Process Oversight Committee will oversee the monitoring of the effectiveness of the Consultative Group as part of its annual review of consultative groups.

### ***Observers***

10. The IASB may, at its discretion, invite individuals or representatives of organisations, such as securities or prudential regulators or accounting firms, to observe specific meetings where their contributions are deemed necessary to inform the IASB’s work.

### ***Meetings***

11. Members of the Consultative Group are expected to be able to consider various perspectives and to participate in a free exchange of ideas in a constructive manner. The Consultative Group will not be asked to reach consensus views and will not be asked to make recommendations as a group.
12. The Consultative Group will have two regular meetings each year, including one in-person meeting at the IFRS Foundation's offices in London. Additional meetings will be scheduled on an ad-hoc basis as needed to provide timely input and advice on the IASB’s work related to the accounting for financial instruments. The maximum number of meetings per year will be five. All additional meetings will be held virtually.
13. The Consultative Group will be chaired by an IASB member. Other IASB members may attend the meetings.
14. Supporting papers for the meetings will be prepared by the IFRS Foundation’s staff. The agenda and supporting papers will be available in advance of the meetings so that members of the Consultative Group are fully prepared and capable of participating actively and constructively in all the discussions of the Consultative Group.
15. Administrative support for the meetings is the responsibility of the IFRS Foundation’s staff.

### ***Communication***

16. All meetings of the Consultative Group will be in public and will be webcast, except for when:
  - (a) matters are discussed in small breakout groups, a summary of which will nonetheless be shared in a public session; or
  - (b) the Consultative Group discusses administrative items, which will be dealt with in closed sessions.
17. Meeting agendas and supporting papers will be posted on the IFRS Foundation webpage in advance of each meeting. A recording of the meeting will also be posted there after the meeting.