

Consultation Process and Outreach Activities

General principles applied to the IASB's standard-setting activities

1) *Formal and extensive consultation process*

- Soliciting views and suggestions through consultations with a wide range of interested parties and using a formal due process of inviting public comment on discussion papers and exposure drafts.
- Adopting the 'comply or explain' approach, where the IASB will explain reasons for omitting any non-mandatory steps from its consultative process.
- Attending public events to exchange views with constituents.
- Meetings are held with groups of preparers, users, academics and others to test proposals and to understand concerns raised by affected parties. To promote discussion, public hearings, field groups and working groups are established.

2) *Supplementary activities to address specific challenges for special interest groups or sectors*

- Used to gain a better understanding of different accounting alternatives and the potential impact of proposals on affected parties.
 - Encouraging investor participation:
 - i. Facilitating engagement with investors through a dedicated investor outreach programme that builds on current IASB's outreach activities.
 - 1. 'Investor Perspectives' blog.
 - 2. Face-to-face meetings.
 - Ensuring global engagement:
 - i. Fully embracing online activities.
 - ii. Travelling the world to meet with regional and national standard-setters.
 - iii. Encouraging developed and emerging economies to contribute to the standard-setting process.
 - Understanding that one size doesn't fit all:
 - i. Developing targeted activities for special interest groups or sectors.

3) *Closing the feedback loop*

- Listening to, evaluating and, where appropriate, adopting suggestions received during the consultations.
- Debating different views on technical matters in public IASB meetings, conferences and seminars.
- Summarising, analysing and considering comments received from interested parties. IASB staff make recommendations for the IASB to consider in its public meetings.
- Using outreach tools such as the website, project summaries and feedback statements to inform the public of its position on major points raised in the comment letters received.

4) *Transparency and accountability*

- Potential topics for the IASB's agenda are considered once research has been completed by IASB staff and consultations with constituents have taken place. Potential agenda items are discussed in IASB meetings. Those meetings, as well as meetings of the IFRS Advisory Council, the IFRS Interpretations Committee, the IASB's working groups and meetings with national standard-setters, the Global Preparers Forum and the Analysts Representative Group are open to the public for observation.
- The Trustees, through their Due Process Oversight Committee, review and ensure compliance with the IASB's procedures and mandate, and conduct annual reviews of the IASB's performance.

OBSERVER NOTE

The six stages of standard-setting

The IASB's standard-setting process comprises six stages, with the Trustees having the opportunity to ensure compliance at various points through the process.

1) Setting the agenda			
<i>IASB evaluates the merits of adding an item to its agenda. Factors that are taken into consideration include: the relevance to users and reliability of information; whether guidance presently exists; the quality of the IFRS to be developed; and resource constraints. Staff are asked to identify, review and raise issues that might warrant the IASB's attention. The IASB will raise and discuss potential items in the light of comments from other standard-setters and other interested parties, the IFRS Advisory Council and the IFRS Interpretations Committee, and staff research and other recommendation.</i>			
Activity:	Required	Comply or explain	Enhancements to due process
IASB discussion of potential projects and its decision to adopt new projects take place publically.	X		
Consultation with the IFRS Advisory Council and the Trustees	X		
Consultation with accounting standard-setting bodies on proposed agenda items and setting priorities.			X
Research project carried out by other standard-setters under supervision of, and in collaboration with, the IASB.			X
Meetings with stakeholders to facilitate targeted discussions between the IASB and individual organisations or small groups.			X
Outreach meetings, educational sessions and conferences with interested parties.			X
Public discussions with representative groups.			X

2) Project planning			
<i>When adding an item to its active agenda, the IASB will decide whether to conduct the project alone, or jointly with another standard-setter.</i>			
Activity:	Required	Comply or explain	Enhancements to due process
Board meetings are held in public session.	X		
Interaction with national standard-setters.			X
Meetings with stakeholders to facilitate targeted discussions between the IASB and individual organisations or small groups.			X
Outreach meetings, educational sessions and conferences with interested parties.			X
Project teams may appoint members of staff from other accounting standard-setters, as deemed appropriate by the IASB.			X
Public discussions with representative groups.			X
Working groups established depending on the nature of issues and the level of interest among constituents.			X

OBSERVER NOTE

3) Development and publication of a discussion paper			
<i>Although not a mandatory step in the due process, the IASB normally publishes a discussion paper (DP) as its first publication on any major new topic as a vehicle to explain the issue and to solicit early comment from constituents. The discussion paper may result either from a research project being conducted by another accounting standard-setter, or as the first stage of an active agenda project carried out by the IASB. The IASB normally allows a period of 120 days for comment on a discussion paper, but it may allow a longer period on major projects.</i>			
Activity:	Required	Comply or explain	Enhancements to due process
Board meetings held in public session.	X		
Discussion paper published to invite public comment.		X	
Email alerts to registered users on project specific update.			X
Project teams analyse and summarise DP comment letters for the IASB's consideration. Summary of the comments is posted on the IASB's website as observer notes.	X		
Online survey to generate evidence in support of or against a particular approach.			X
Outreach meetings to promote debate and hear views on proposals published for public comment.			X
Podcast to provide interested parties with high level updates or other useful information about specific projects.			X
Press release to announce publication of discussion paper.			X
Public discussions with representative groups.			X
Regional discussion forums arranged by national standard-setters with the IASB.			X
Request additional comment and suggestions by conducting field visits, or by arranging public hearings and round tables.			X
Round tables between external participants and members of the IASB.			X
Snapshot document to explain the rationale and basic concepts included in the discussion paper.			X
Webcast of interactive presentations streamed in real time from the IASB's office.			X
Working groups established depending on the nature of issues and the level of interest among constituents.			X

OBSERVER NOTE

4) Development and publication of an exposure draft			
<i>Publication of an exposure draft is a mandatory due process. Irrespective of whether the IASB has published a discussion paper, an exposure draft is the IASB's main vehicle for consulting the public. Unlike a discussion paper, an exposure draft sets out a specific proposal in the form of a proposed IFRS (or amendment to an IFRS). Its development is based on the consideration of issues included in staff research and recommendations, as well as comments received on any discussion paper. Suggestions by the IFRS Advisory Council, working groups and accounting standard-setters and arising from public education sessions are also taken into account. It is available for a period of 120 days for comment.</i>			
Activity:	Required	Comply or explain	Enhancements to due process
Formal ballot process	X		
Board meetings held in public session.	X		
Consultation with IFRS Advisory Council after conclusion of comment period.	X		
Exposure draft published to invite public comment.	X		
Basis for conclusions	X		
Email alerts to registered users on project specific update.			X
Fatal flaw review of ED with external parties.	X		
Project teams analyse and summarise ED comment letters for the IASB's consideration. Summaries are posted online.	X		
Request for additional comment and suggestions by conducting field visits, or by arranging public hearings and round tables.			X
Outreach meetings and field visits to promote debate and hear views on proposals published for public comment.			X
Podcast to provide interested parties with high-level updates or other useful information about specific projects.			X
Press release to announce publication of exposure draft.			X
Public discussions with representative groups.			X
Online survey to generate evidence in support of or against a particular approach.			
Regional discussion forums organised with national standard-setters with the IASB.			X
Round tables between external participants and members of the IASB.			X
Snapshot document to explain the rationale and basic concepts included in the discussion paper.			X
Webcast of interactive presentations streamed in real time from the IASB's office.			X

OBSERVER NOTE

5) Development and publication of an IFRS			
The development of an IFRS is carried out during IASB meetings, when the IASB considers the comments received on the exposure draft. Changes from the exposure draft are posted on the website. The IASB will consider whether to expose its revisions for public comment, for example, by a second exposure draft. A decision is made at this point in an IASB meeting on whether it is necessary to publish revised proposals for another round of comment. Due process is followed if a second exposure draft is published for comment. Once published it has an effective date of generally one to two years from date of publication.			
Activity:	Required	Comply or explain	Enhancements to due process
Analysis of likely effects of the forthcoming IFRS or major amendment, for example, costs or ongoing associated costs.	X		
Basis for conclusions	X		
Board meetings are held in public session.	X		
Email alerts are issued to registered recipients.			X
Fatal flaw review of final standard.	X		
Feedback statements, which provide high-level executive summaries of the standard, are circulated to all persons or organisations that submitted a comment letter.	X		
Outreach meetings and field visits to promote debate and hear views on proposals published for public comment.			X
Pre-ballot draft of the final standard subject to external review, usually by IFRIC.	X		
Press release to announce final standard.			X
Podcast to provide interested parties with high-level updates or other useful information about the standard.			X
Regional discussion forums organised with national standard-setters with the IASB.			X
Round tables between external participants and members of the IASB.			X
Webcast of interactive presentation streamed in real time from the IASB's office.			X

6) Procedures after an IFRS is issued			
After an IFRS is issued, Board members and IASB staff hold regular meetings with interested parties, including other standard-setting bodies, to help understand unanticipated issues related to the practical implementation and potential impact of its provisions. The IASB Foundation also fosters education activities to ensure consistency in the application of IFRSs.			
Activity:	Required	Comply or explain	Enhancements to due process
Board meetings are held in public session.	X		
Interaction with national standard-setters.	X		
Post-implementation review of each new IFRS or major amendment, normally carried out two years after the new requirements have become mandatory and been implemented.	X		

OBSERVER NOTE

Appendix

Ballot process

Before instructing staff to start drafting a document to be voted upon, the Chairman of the IASB polls IASB members during an IASB meeting to gauge the level of support on a particular issue. If there is sufficient support, the IASB instructs staff to prepare a pre-ballot draft of the document (discussion paper, exposure draft or IFRS). IASB members review the pre-ballot draft individually, and further pre-ballot drafts may be required if new issues or 'sweep issues' arise during review.

Basis for conclusions

Bases for conclusions accompany proposed and final IFRSs. They provide a detailed technical description of how the IASB responded to comments received during the consultation period.

Board meetings

Board meetings are open to the public for observation and provide individuals and interested parties with the opportunity to learn about current activity on the IASB's agenda. Individuals may attend meetings as observers in person or via webcast across the internet.

All papers discussed at the public meetings are available as observer notes. Additionally, details of decisions made during Board meetings are posted on the IASB's website soon after the meeting has concluded.

Comment letter

Comment letters play a vital role in the IASB's formal deliberative process. To give the public timely access to the comment letters sent to the IASB, each letter is posted on the website. The IASB reviews comment letters that are received within the comment period, and it provides a summary and analysis of the comments received. These summaries are posted on the website as observer notes. Comment letters can be submitted directly to the project team at any time, and all letters will be considered by the IASB.

Comment letter analyses and outreach summaries

Once a comment period has closed, the IASB will conduct an analysis of letters and opinions received on a specific project or proposal. In these analyses, broad themes are identified and details of how the IASB responded to the main issues are included in each document. The IASB also provides summaries of feedback from its outreach activities. For example, the IASB will release overviews of user input and survey results, which are all available on the IASB's website.

Consultation with the IFRS Advisory Council

The IFRS Advisory Council is the formal advisory body to the IASB. It is comprised of a wide range of representatives from user groups, preparers, financial analysts, academics, auditors, regulators, professional accounting bodies and investor groups that are affected by and interested in the IASB's work. Members of the Advisory Council are appointed by the Trustees of the IFRS Foundation. The Council meets three times a year to advise the IASB on a range of issues, including the IASB's agenda and work programme.

Email alerts

Registered users of the IASB's website can sign up to receive regular email alerts on IASB activity. Individuals can tailor their alerts to a particular project, or multiple projects, giving them direct access to the most relevant information for specific needs and interests.

Expert advisory panels

Expert advisory panels comprise experts from a range of backgrounds to provide advice to the Board on specific points of detail. Panel members are drawn from the preparer community, and may also include users of financial statements and regulators, as well as auditors. Participants are selected on the basis of their experience and specialised technical area of expertise. The role and focus for each expert advisory panel will vary. However, the panels give expert input into the IASB's process. For example, they may assist by reviewing best practice techniques, and formulating any necessary additional practice guidance.

Fatal flaw review

At the exposure draft and final standard stage, the IASB will seek input from external parties, such as the IFRIC, preparers and paying subscribers of the website. This is designed to highlight any outstanding issues to ensure they can be worked out before the next steps in the due process are progressed.

OBSERVER NOTE

IFRS

A single set of high quality, understandable, enforceable and globally accepted international financial reporting standards (IFRSs). The IASB is the standard-setter responsible for developing IFRSs.

IFRS Interpretations Committee

The IFRS Interpretations Committee meets in public and follows procedures similar to Board meetings. The Interpretations Committee debates both matters that are on its agenda and items proposed to be added to its agenda.

Interaction with national standard-setters

The IASB works collaboratively with national standard-setters around the world to better understand global financial reporting issues in a regional and national context. National standard-setters consult locally in order to represent jurisdictional viewpoints to the IASB's formal consultation process, jointly host outreach activities on behalf of the IASB and frequently assist in the research and development of new accounting standards.

Meetings with stakeholders

Face-to-face meetings can allow for targeted discussions between the IASB and individual organisations or they can take the form of small group meetings. Individual and small group meetings allow the IASB to better understand what the broader implications of proposals may be by talking and listening to feedback from a particular stakeholder group. Requests for these meetings can be made to the project staff, whose contact details are available on the website, or to the IASB outreach co-ordinator.

Participate in an online survey

IASB stakeholders can engage with the organisation through one of its many online surveys. These surveys are designed to generate evidence in support of or against a particular approach. Surveys supplement face-to-face meetings and the comment letter process.

Podcasts (Board meetings and project specific work)

Podcast summaries of monthly Board meetings are available through the IASB's website and can be downloaded through iTunes or via RSS feed. Recorded shortly after each Board meeting, these podcast summaries provide an overview of the main topics and projects discussed and run to approximately 30 minutes in length. The IASB also publishes project-specific podcasts, which allow interested parties to receive high-level updates or other useful information about specific projects

Press release

Running approximately one to two pages in length, a press release is document that is written to announce news about the IASB, and is targeted at members of the media and other interested parties. These are typically high-level descriptions to ensure that information can be easily understood. Press releases are designed to raise awareness about a particular issue, project or aspect of the IASB that needs to be promoted.

Public discussions with representative groups

The IASB holds formal public meetings with groups representing both the investor and the preparer communities. Members of the Global Preparers Forum (GPF) and the Analyst Representative Group (ARG) have considerable practical experience in their respective fields and meet separately with the IASB three times a year. The meetings are open to observers and are webcast live on the internet.

Outreach meetings

IASB staff and Board members regularly hold educational sessions and attend meetings and conferences of interested parties. Outreach meetings give interested organisations a chance to voice and debate their views on proposals published for public comment with the IASB. Outreach meetings can be requested by contacting the project teams or the IASB's outreach co-ordinator.

Regional discussion forums

Discussion forums are hosted by third-party organisations such as national standard-setters. They take place in local jurisdictions so that regionally-based constituents may meet representatives of the IASB to discuss projects that are open for comment. These meetings summarise proposals set out in exposure drafts, but allow those taking part an opportunity to discuss the proposals with the Board and IASB staff.

OBSERVER NOTE

Round-table meetings

Round tables are public discussions organised by the IASB that take place between external participants and members of the IASB. They occur after the comment period has closed. During these sessions, participants can provide valuable additional insight to the IASB on comments put forward, while debating any issues or concerns they may have. The IASB will also use round tables as a platform to explain and clarify proposals. Details on how to register for IASB round tables can be found on the website.

Snapshot summaries

Snapshots are high-level summaries that provide a non-technical overview of a project or proposal, and accompany major due process documents. They are designed to explain the rationale and basic concepts included in the exposure drafts or discussion papers. Snapshots can be obtained through the IASB's website in the 'Snapshot Library'.

IFRS Advisory Council

The IFRS Advisory Council provides a forum where the IASB consults individuals, and representatives of organisations affected by its work, that are committed to the development of high quality IFRSs.

Webcasts

Interactive presentations are presented live from the IASB's office and are available online in real time. Participants can view slides and listen to commentary presented, and can ask questions via the web with the option of listening by telephone. Webcasts can also be downloaded once completed and are available to the public.

Working groups

Working groups are established during the project planning stage and are designed to give the IASB access to additional practical experience and expertise from senior representatives of a particular stakeholder group throughout the duration of the project. Before setting up a working group, the IASB advertises for nominations and applications. The IASB normally establishes working groups for its major projects.

The IASB sets working groups a clear mandate and specific objectives. The groups do not develop formal recommendations. Once work starts, the IASB consults the groups on important decisions, and provides regular updates on the progress of the project. Working group meetings are open to the public.