

AGENDA PAPER

IFRS Foundation Trustees meeting – Due Process Oversight Committee meeting

Singapore

11-12 January 2012

Agenda ref 3F

Protocol for Trustee Action in the event of a perceived breach of due process

The Trustees asked the Due Process Oversight Committee (DPOC) to consider the protocol for action in the event that the DPOC believed that the IASB breached its due process requirements. This paper makes a proposal:

- Any alleged breaches of due process will be considered in the context of the DPOC's continuous review of the IASB's due process, consistent with the [draft] DPOC protocol. Alleged breaches could be raised by external stakeholders, internal parties (e.g. whistleblower), or by the DPOC or other Trustees.
- The DPOC will consider the alleged breach against the evidence provided by the complainant, IFRS Foundation staff, and the IASB. The metrics in the DPOC protocol will provide objective criteria to evaluate a complaint. The [soon-to-be appointed] Director for Trustee Activities will be responsible for preparing materials for DPOC consideration.
- If the majority of the DPOC concludes that the IASB has violated its due process within one of the six phases of a project outlined in the protocol, the DPOC will request that the IASB take action to remedy the perceived breach.
- If the IASB does not agree with the DPOC conclusion, the matter will be raised at the next full Trustee level for discussion. This next meeting could be a meeting called by phone to facilitate rapid resolution of an issue. The IASB will not be permitted to complete the particular phase of the project until that discussion is heard. The [soon-to-be appointed] Director for Trustee Activities, in consultation with the DPOC chair, will prepare a full brief for Trustee consideration.
- If two-thirds of the Trustees attending the meeting believe that the IASB is in breach of its due process, then the IASB must modify its approach within the particular phase of the project to satisfy the Trustees that due process is being followed.
- The Trustees cannot raise technical accounting considerations as evidence of a breach of due process.