

# AGENDA PAPER

IFRS Foundation Trustees' meeting—Due Process Oversight Committee

Hong Kong

22 January 2013

Agenda paper 3A

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**To:** Due Process Oversight Committee

**From:** David Loweth/Alan Teixeira

**Date:** 11 January 2013

**Re: Due Process Handbook: proposed redraft**

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## Overview

1. The purpose of this paper is to seek the Committee's agreement to the following documents:
  - (a) a revised Due Process Handbook (DPH) (a clean version is at Agenda Paper 3A(i));
  - (b) a Feedback Statement on the draft DPH (at Agenda Paper 3A(ii)); and
  - (c) a proposed revision to the Due Process Protocol tables, for publication on the DPOC section of the website (at Agenda Paper 3A(iii)).
2. Subject to the views of the Committee, the proposal is that a recommendation is made to the Trustees in their plenary session that the attached documents be approved for publication.

## Background

3. The draft DPH was issued for comment on 8 May 2012, with 51 comment letters being submitted in response. At its October 2012 meeting, the Committee considered a comment letter analysis (October meeting Agenda Paper 3A(i)<sup>1</sup>), together with some of the main issues arising from the responses (October meeting Agenda Paper 3A). Further discussions took place at a conference call of a number of DPOC members held on 6

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<sup>1</sup> The comment letter analysis was based on the first 50 letters, as the final response was not submitted until 23 October 2012.

November and a Committee conference call on 11 December. Following those meetings, a progress report was presented to the IASB at its administrative session held on 18 December.

## **Revised DPH**

4. The Committee discussed and agreed the proposed changes to the DPH at its conference call on 11 December (Agenda Paper 2 for that meeting). The only changes to the version of the revised DPH presented then (Agenda Paper 2A for that meeting) are as follows:

- a. clarifying the text in relation to review drafts (see paragraphs 3.31-3.33) and – as agreed – using the term ‘drafts for editorial review’; and
- b. clarifying the paragraph on the composition of consultative groups (3.59, with a consequential amendment in paragraph 2.8(c)) to refer to the fact that the DPOC reviews their proposed composition to ensure that there is a satisfactory balance of perspectives, including geographical representation.

5. These changes are reflected in the revised proposed DPH at Agenda Paper 3A(i), together with a draft Appendix that sets out the history and approval of the DPH.

## **Feedback Statement**

6. The Committee discussed a draft of the Feedback Statement at its conference call on 11 December (Agenda Paper 3 for that meeting). The proposed Feedback Statement at Agenda Paper 3A(ii) summarises the consultation that has taken place, the main views expressed by respondents, and how the Foundation has reacted to those responses. It also reflects the decisions taken at that meeting, in particular:

- that the DPOC will continue to hold its meetings in private, but that the transparency of reporting will be further enhanced (see ‘Transparency of the DPOC’ in the table on pages 4 and 5 of this Agenda Paper 3A(ii)); and
- clarification of the role of the DPOC in relation to IASB consultative groups, where it was agreed that the Committee reviews the proposed composition of each group to ensure that there is a satisfactory balance of perspectives (see ‘Consultative Groups’ on page 14 of Agenda Paper 3A(ii)).

## **Due Process Protocol**

7. Revised Due Process Protocol tables are attached at Agenda Paper 3A(iii). They have been updated from the versions attached as Appendix 4 to the draft DPH in the light of comments made by respondents, which focussed on ensuring that they are consistent with the DPH. As discussed and agreed by the DPOC, the Due Process Protocol is not an integral part of the DPH. It is a reporting tool for the technical staff, who are using the relevant Due Process Protocol tables as appendices to their due process reports to the IASB, to ensure both that all due process steps have been completed and to document compliance with those steps. However, for transparency purposes, the full Due Process Protocol template will be available on the IFRS Foundation website.

### **Next steps**

8. Subject to the views of the Committee, and the approval of the Trustees, we plan to publish the attached material as soon as possible