

AGENDA PAPER

IFRS Foundation Trustees meeting

Kuala Lumpur January 2019

Agenda Ref 1D

Contacts Richard Thorpe
Samuel Prestidge

Due Process Handbook Review overview

Outline of timetable and next steps

Purpose

1. The purpose of this paper is to update the Due Process Oversight Committee (DPOC) on the current status of the *Due Process Handbook* Review (the Review).
2. The paper also provides an overview of the Agenda Papers the DPOC will discuss at this meeting relating to the Review.
3. This paper is for information only and does not ask the DPOC any questions.

Background

4. The DPOC agreed at its meeting in October 2018 to update the *Due Process Handbook* (Handbook) to:
 - (a) provide the Board with an equivalent due process tool to an Interpretations Committee Agenda Decision;
 - (b) refine the consultation required by paragraph 5.6 of the Handbook to require the Board to consult the Advisory Council and ASAF before formally adding a major project to its Work Plan (either the research or standard-setting programme) that was not contemplated in an Agenda Consultation;
 - (c) reflect better the due process associated with the IFRS Taxonomy both to clarify the approval and review process associated with the issuance of

IFRS Taxonomy due process documents and to specify the DPOC's oversight of IFRS Taxonomy content that refers to IFRS Standards.

5. The DPOC also discussed updating the Handbook relating to effects analysis, in particular to reflect:
 - (a) developments to the Board's process on effects analysis;
 - (b) the recommendations of the Effects Analysis Consultative Group (EACG); and
 - (c) the feedback received from the Advisory Council in February 2018.
6. The DPOC agreed with the need to amend the Handbook in this area and the direction of travel set out in the paper, and asked the staff to develop a more detailed proposal for the next meeting, including draft wording for the proposed amendments to the Handbook.

Discussion at this meeting

7. At this meeting the DPOC will discuss the following papers:
 - (a) Agenda Paper 1E—Explanation of amendments to the Handbook;
 - (b) Agenda Paper 1F—Agenda decisions;
 - (c) Agenda Paper 1G—Effects Analysis; and
 - (d) Agenda Paper 1H—Education Material.

Agenda Paper 1E—Explanation of amendments to the Handbook

8. This paper explains how the staff has proposed amending the Handbook to reflect the decisions made to date by the DPOC as well as the staff's recommendations in this meeting's papers. The paper is accompanied by the current working draft of the proposed revised Handbook (but not as a public paper given that it is a draft). The paper also contains further explanation of some of the minor issues the staff have dealt with in the draft proposed amendments to the Handbook.

Agenda Paper 1F—Agenda decisions

9. This paper proposes:
 - (a) maintaining the current status and role of Agenda Decisions; and
 - (b) amendments to the description of Agenda Decisions in the Handbook.
10. This paper also updates the DPOC on the International Accounting Standards Board's (Board) discussion at its December 2018 meeting. The Board discussed the feedback received on the Exposure Draft *Accounting Policy Changes—Proposed Amendments to IAS 8* relating to the status of Agenda Decisions and their role in the application of IFRS Standards. Such feedback links to matters of due process, and therefore the staff are reporting the feedback to the DPOC at this meeting.
11. The draft wording of the proposed amendments to the Handbook is included in agenda paper 1F for reference.

Agenda Paper 1G—Effects Analysis

12. This paper proposes amendments to the Handbook relating to the Board's work assessing the likely effects of new financial reporting requirements.
13. The draft wording of the proposed amendments to the Handbook is included as an Appendix.

Agenda Paper 1H—Education Material

14. This paper proposes refinements to the requirements in the Handbook relating to publicly available education material designed to support the implementation and application of IFRS Standards.
15. The draft wording of the proposed amendments to the Handbook is included as an Appendix.

Next steps

16. Following this meeting of the DPOC the staff's proposed timetable is:
 - (a) consider the DPOC's decisions and feedback made during this meeting;

- (b) In February/March 2019 incorporate drafting comments from the DPOC into the proposed amendments to the Handbook. The staff ask that DPOC members provide any specific drafting comments by 15 February 2019 (see agenda paper 1E—explanation of draft amendments to the Handbook);
- (c) March 2019—Staff will liaise with DPOC members regarding any further comments before the revised Handbook package (including the Invitation to Comment document) and arrange a public call to finalise the draft and receive the agreement of the DPOC to expose the amended Handbook for public comment.
- (d) March/April 2019—proposed amendments to the Handbook exposed for comment for 90 days;
- (e) June 2019—DPOC meeting;
- (f) July 2019—comment letter deadline;
- (g) October 2019—comment letter analysis discussed with the DPOC;
- (h) first quarter of 2020—update to the DPOC; and
- (i) third quarter of 2020—updated *Due Process Handbook* and feedback statement published.