

AGENDA PAPER

IFRS® Foundation Trustees meeting – Due Process Oversight Committee

Video conference June 2021

Agenda ref 1B

CONTACT Henry Rees

Technical Activities: Key Issues and Update

Purpose of the report

1. This report provides the Due Process Oversight Committee (DPOC) with an update on the activities of the International Accounting Standards Board (Board) and the IFRS Interpretations Committee for the period March to May 2021.
2. The report sets out how the Board and the Interpretations Committee have fulfilled their due process obligations as set out in the *Due Process Handbook*. The report aims to assist the DPOC in fulfilling its role of overseeing the due process activities of the Board and the Interpretations Committee, as set out in paragraphs 2.1–2.15 of the *Due Process Handbook*. Paragraph 2.8(a) of the *Handbook* explains:

The DPOC is responsible for ... reviewing regularly, and in a timely manner, together with the Board and the IFRS Foundation staff, the due process activities of the Board and the Interpretations Committee, including standard-setting, the development of materials to support the consistent application of IFRS Standards, and the IFRS Taxonomy.

3. At this meeting there are no projects for which the DPOC is being asked to specifically confirm that due process has been followed. **Accordingly, all information in this report is for noting only.**
4. The report is structured as follows:
 - (a) Summary of key points (paragraph 6)
 - (b) Due process matters in the period for noting (paragraphs 7–18)
 - (c) Other matters occurring during the period for the attention of the DPOC (paragraphs 19–36).
5. The accompanying appendices are as follows:

Appendix A—Overview of projects on the Work Plan

Appendix B—Due process documents published in the period.

Summary of key points

6. The key points for the period to note are as follows:
- Due process documents published (see Appendix B) include:
 - Request for Information *Third Agenda Consultation*
 - Exposure Draft *Disclosure Requirements in IFRS Standards—A Pilot Approach* (Proposed amendments to IFRS 13 and IAS 19)
 - Exposure Draft *Management Commentary*
 - Outreach activities to support these consultations are in progress.
 - All of these due process documents had comment periods longer than the minimum required by the *Due Process Handbook*. A key consideration in agreeing to publish due process documents at present remains balancing allowing sufficient time for stakeholders to provide high-quality feedback—given challenges arising from the covid-19 pandemic and the number of consultations—with maintaining project progress (see paragraph 19–21).
 - As reported in your most recent regular pre-Board meeting email, in May 2021 the Board discussed feedback about one-time accounting mismatches and classification inconsistencies that may arise in the comparative information that insurance companies present when they first apply IFRS 17 *Insurance Contracts* and IFRS 9 *Financial Instruments*. The Board will shortly discuss whether to propose a targeted narrow-scope amendment to IFRS 17 to address these (see paper 1C for this meeting).
 - The Board completed its work to extend the availability of the practical relief for covid-19-related rent concessions by issuing an amendment to IFRS 16 *Leases* as planned at the end of March 2021 (see paragraphs 14–17).
 - The Board moved the Second Comprehensive Review of the *IFRS for SMEs* Standard project to the standard-setting programme (see paragraphs 9–13).
 - The Board considered the feedback from the Discussion Paper in the Goodwill and Impairment project and agreed a plan for redeliberating the proposals (see paragraphs 22–27). The topic will be discussed with the FASB at the two boards' joint educational meeting in July 2021.

Due process matters in the period for noting

Due process documents published

7. The due process documents published in the period are listed in Appendix B on pages 16–18. The staff confirms that the required due process steps had been completed for each of the documents listed. When the Board is required to review a summary of the due process steps undertaken for a due process document, the DPOC receives a copy of the supporting Board paper in advance of the Board’s discussion.

Due process decisions

Research projects (including post-implementation reviews)

8. None for noting.

Standard-setting projects

Second Comprehensive Review of the IFRS for SMEs Standard

9. The Board is undertaking the second periodic comprehensive review of the *IFRS for SMEs* Standard. As a first step the Board published a Request for Information in January 2020.
10. As reported to the DPOC in March 2021, the Board considered a summary of the feedback on the Request for Information and asked the SME Implementation Group (SMEIG) to develop recommendations to help the Board decide the project’s direction.
11. Taking into consideration the feedback and the SMEIG recommendations, at its March 2021 meeting the Board decided to move the project from its research programme to its standard-setting programme and work towards publishing an exposure draft, proposing amendments to the *IFRS for SMEs* Standard for new requirements that are in the scope of the review. In reaching these decisions, the Board concluded it has sufficient information to proceed directly to an exposure draft and considered the requirements of paragraphs 5.4–5.7 of the *Due Process Handbook*.
12. At its May 2021 meeting the Board started deliberating specific sections of the *IFRS for SMEs* Standard that could be aligned with new requirements in IFRS Standards in the scope of the review.
13. The timeline for completion of the deliberation and publication of the exposure draft will depend on resources available. However, it is unlikely that any exposure draft will be published before the second half of 2022.

Maintenance projects (narrow-scope amendments)

IFRS 16 and covid-19

14. In March 2021, the Board issued *Covid-19-Related Rent Concessions beyond 30 June 2021* which amended IFRS 16 *Leases*. The amendment extends by one year the availability of the practical relief for lessees accounting for covid-19-related rent

- concessions that the Board provided last year, so that it can be applied to covid-19-related rent concessions that reduce lease payments due on or before 30 June 2022.
15. In extending the relief, the Board has responded quickly to calls from stakeholders in light of the pandemic still being at its height. The practical relief makes it easier for lessees to account for covid-19-related rent concessions while continuing to ensure lessees provide useful information about their leases to investors. The amendment follows the Exposure Draft, which as previously reported was published in February 2021 with a 14-day comment period as approved by the Trustees at their 1 February meeting.
 16. Despite the very short comment period, the Board received 51 letters on the Exposure Draft. The staff also conducted outreach with ten investors and analysts during the comment period (this was in addition to the six that provided feedback in advance of the Board deciding to proceed to publish the Exposure Draft). The Board received strong support to extend the relief, including from investors and analysts, with most agreeing to the one-year extension. The Board considered all the feedback at a specially convened Board meeting on 10 March and decided to finalise the proposal in the Exposure Draft.
 17. At the 10 March Board meeting, the Board also confirmed that it had complied with the applicable due process requirements to issue the amendment.

Agenda paper compliance report¹

18. In the period March to May 2021, all agenda papers discussed by the Board and the Interpretations Committee were made available on the public website unaltered. Four Board papers were posted after the posting deadline in the period:
 - March 2021: Three papers for the discussion on Leases and covid-19 (see paragraphs 14–17)—posted three working days before the Board meeting given urgency of the matter.
 - May 2021: A revised paper for the discussion on the initial application of IFRS 17 (see paragraph 6 and paper 1C)—posted a day before the Board meeting. The paper was revised in light of feedback from some insurers. The paper was for a preliminary, non-decision-making discussion.

¹ Paragraph 3.12 of the *Due Process Handbook* states ‘The technical staff is required to report to the Board and the DPOC at least annually on the extent to which material discussed by the Board or the Interpretations Committee has not been made available to observers and the main reasons for doing so. In addition, the technical staff is required to include in that report the number of meeting papers that have been distributed less than five working days in advance and the main reasons for doing so.’

Other matters occurring during the period for the attention of the DPOC

Responding to the covid-19 pandemic

19. As previously reported, in April and October 2020, the Board adjusted timetables for non-urgent projects to assist stakeholders coping with challenges arising from the covid-19 pandemic. The Board also committed to monitoring stakeholders' ability to respond to consultations effectively, balancing this with the need to progress projects, both in the light of the ongoing pandemic and the number of consultations.
20. In March 2021, the Board reviewed the comment periods for all open consultations and those expected to be published in the near term, bearing in mind feedback from the Accounting Standards Advisory Forum (December 2020) and the Advisory Council (February 2021) both of which highlighted that stakeholders continue to experience capacity constraints. As a result, the Board extended the consultation periods for:
 - (a) Rate-regulated Activities—from five to six months;
 - (b) Targeted Standards-level Review of Disclosures—from six to seven months;
 - (c) Agenda Consultation—from four to six months.

The Board also set a comment period for the Management Commentary Exposure Draft of six months.

21. To be clear, the extra time for these consultations over the four-month minimum comment period specified by the *Due Process Handbook* is not solely due to the pandemic—for instance, in the Targeted Standards-level Review of Disclosures the Board is introducing significant new thinking that requires time for the debate to mature and the opportunity for fieldwork. Nonetheless, whilst being careful not to establish a new norm for the length of comment periods, the Board has been responsive to the demands currently placed on its stakeholders.

Project updates

Goodwill and Impairment

22. At its meetings in March–May 2021, the Board discussed feedback on its Discussion Paper *Business Combinations—Disclosures, Goodwill and Impairment*. We reported at the March 2021 DPOC meeting on the outreach activities performed during the comment period, including fieldwork.
23. Most respondents supported the Board's overall objective for companies to provide investors with more useful information at a reasonable cost about the acquisitions they make.
24. There were, however, mixed views on the Board's preliminary views about improving the information companies disclose about the subsequent performance of a business combination. Whilst almost all investor respondents agreed with the proposal to

disclose information about a company's objectives for an acquisition and, in subsequent periods, information about how that acquisition is performing against those objectives, almost all preparer respondents disagreed. Many preparers said that the information is commercially sensitive and difficult to audit. In addition, many respondents said information about the performance of business combinations should be provided in the management commentary rather than the financial statements.

25. With respect to the subsequent accounting for goodwill, most respondents agreed with the Board that it is not feasible to significantly improve the effectiveness of the current impairment test. However, they remain divided on whether the Board should reintroduce amortisation of goodwill to replace the current impairment-only approach. Those supporting its reintroduction noted a mixture of conceptual and practical reasons but generally provided little new information. A few respondents noted their position had changed in recent years, mostly in favour of reintroducing amortisation because of the limitations of the impairment test.
26. The FASB is also undertaking a project that considers the subsequent accounting for goodwill. In the Discussion Paper the Board asked whether views on the topic depend on maintaining the existing level of convergence between IFRS Standards and US GAAP. Most respondents commenting on this (and many did not) said that convergence on this topic with US GAAP was desirable. Some of these respondents went further and said maintaining convergence was more important than adopting a particular accounting model for goodwill. However, many respondents said that their view did not depend on maintaining convergence, or that the Board should base its decision on the evidence it has collected rather than solely on maintaining convergence.
27. In May 2021 the Board also discussed its planned approach to the redeliberations. It will begin with a discussion on the project's objective and scope. It will then prioritise a preliminary decision on whether to reintroduce amortisation of goodwill given the potential dependency between this decision and other aspects of its preliminary views in the Discussion Paper. Before that preliminary decision, the Board and the FASB will discuss their respective projects at their joint educational meeting in July 2021.

Dynamic Risk Management

28. In April 2021, the Board discussed feedback from the outreach on the dynamic risk management (DRM) model. The outreach was based on the core DRM model as discussed at the July 2019 Board meeting, with the objective of assessing the viability and operability of the DRM model and whether it would enable banks to better reflect their risk management in the financial statements, compared to the current macro hedge accounting models.
29. In principle, almost all participants in the outreach supported the objective of the DRM model to better reflect interest rate risk management strategy and activities in the financial statements. Participants acknowledged the significant benefits the DRM model would bring, such as extending the scope of eligible items and improved

transparency in the financial statements, but also identified some challenges that are key to the viability and operability of the DRM model.

30. The staff plan to perform further research and analysis on the key issues raised to explore whether acceptable solutions could be developed to address these challenges, before asking the Board to decide the project directions in the first half of 2022.

Primary Financial Statements

31. At its meetings in March and April 2021, the Board started redeliberating the proposals in the Exposure Draft *General Presentation and Disclosures*. The initial discussions focussed on some of the key proposals which were well-received by the stakeholders.
32. In these discussions the Board decided to:
 - (a) confirm the proposal to define and require companies to present an operating profit subtotal in the income statement.
 - (b) confirm and strengthen the proposals relating to the principles of disaggregation of financial information (with detailed discussion to follow on specific aspects such as analysis of operating expenses).
 - (c) confirm the proposal to require companies to provide information in the notes to the financial statements about management performance measures. In the light of the feedback, the Board also decided to explore expanding the scope of the proposals for management performance measures beyond income and expense subtotals. A broad range of stakeholders explained that other non-GAAP measures are widely used and that these would also benefit from the transparency and discipline provided by the proposed disclosure requirements. The Board will discuss in a future meeting if and how far to expand the scope of the proposals.

Supporting consistent application

Interpretations Committee

33. The Interpretations Committee met in March and April 2021 and published two tentative agenda decisions and finalised three final agenda decisions (see the table in Appendix B on page 18). The final agenda decisions were subsequently published following confirmation by the Board in accordance with the new due process requirements. All the agenda decisions include material explaining the application of IFRS Standards to support their consistent application.
34. At the close of the April 2021 meeting, there were two submissions from stakeholders that the Interpretations Committee had not yet considered.
35. At its April 2021 meeting, the Interpretations Committee considered feedback on a tentative agenda decision published in December 2020 about classifying debt as current or non-current on a company's balance sheet. Specifically the tentative agenda decision explained the application of the recently amended requirements in IAS 1 to

particular fact patterns in which a debt agreement includes covenants that the company must met (such as a particular working-capital ratio). The amended IAS 1 requirements come into effect for annual reporting periods beginning on or after 1 January 2023.

36. The Interpretations Committee confirmed its agreement with the technical analysis and conclusions in the tentative agenda decision. However, in the light of the feedback from many respondents expressing concerns about the outcomes of applying the amended requirements in IAS 1, the Committee decided not to finalise the agenda decision. Before finalising it, the Committee decided that it should report to the Board respondents' comments on the outcomes and potential consequences of applying the amendments, highlighting those that might provide information the Board did not consider when developing the amendments. The Board will consider this feedback in June 2021.

Appendix A—Overview of projects on the Work Plan

[abbreviations: DP=Discussion Paper; ED=Exposure Draft; RFI=Request for Information; ASAF=Accounting Standards Advisory Forum; CMAC=Capital Markets Advisory Committee; GPF=Global Preparers Forum; EEG=Emerging Economies Group; SMEIG=SME Implementation Group]

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ²
Research projects							
Business Combinations under Common Control	To explore possible reporting requirements that would reduce diversity in practice and improve the transparency and comparability of the reporting on business combinations under common control	Consider feedback on DP	H2 2021	✓	<ul style="list-style-type: none"> • Outreach activities to support DP (open until Sep 2021) 	• DP published Nov 2020	ASAF: Oct 2020 CMAC: March 2021 EEG: Mar 2019 GPF: Jun 2019
Dynamic Risk Management	To explore whether an accounting model can be developed to better reflect how a company's interest rate risk management strategy may affect the amount, timing and uncertainty of future cash flows and the effect of risk management activities on its financial statements.	Decide project direction	H1 2022	✓	<ul style="list-style-type: none"> • Board has considered feedback from outreach on core model • Further staff research and analysis on the key challenges identified 	• DP published in 2014	ASAF: Dec 2020
Equity method	To assess whether application problems with the equity method as set out in IAS 28 <i>Investments in Associates and Joint Ventures</i> can be addressed in consolidated and individual financial statements by identifying and explaining the principles of IAS 28	Decide project direction	TBD	✓	<ul style="list-style-type: none"> • Project moved from research pipeline in Oct 2020 • Board updated Mar 2021 on process to identify questions for consideration in the project 	n/a	

² Most recent discussion with each group highlighted

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Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ²
Extractive Activities	To gather evidence to help decide whether to start a project to develop proposals to replace IFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i>	Decide project direction	July 2021	Delayed from Q2 to Q3 due to prioritisation	<ul style="list-style-type: none"> • Board considering research findings 	n/a	ASAF: March 2021 CMAC: Mar 2019
Goodwill and Impairment	To explore whether companies can, at a reasonable cost, provide investors with more useful information about the acquisitions those companies make. The Board is considering ways to meet the objective though improving the disclosure requirements about business combinations and the subsequent accounting for goodwill	Decide project direction	Q3 2021	✓	<ul style="list-style-type: none"> • Board considering feedback from comment letters and outreach • Board to start redeliberations (objective and scope) in June 2021 	DP published Mar 2020 (extended comment period ended Dec 2020)	ASAF: Oct 2020 CMAC: Oct 2020 EEG: Dec 2020 GPF: Oct 2020
Pension Benefits that Depend on Asset Returns	To gather evidence to help decide whether to start a project to develop proposals for targeted amendments to the requirements for defined benefit plans in IAS 19 <i>Employee Benefits</i> . The amendments would relate to employee benefits that depend on the return on a specified pool of assets	Review research	Q3 2021	Delayed from Q2 to Q3 due to prioritisation	<ul style="list-style-type: none"> • Reviewing research 	n/a	ASAF: Jul 2019
Post-implementation Review of IFRS 10, IFRS 11 and IFRS 12	Examine further the matters in the Request for Information to assess whether IFRS 10 <i>Consolidated Financial Statements</i> , IFRS 11 <i>Joint Arrangements</i> and IFRS 12 <i>Disclosure of Interests in Other Entities</i> are working as intended	Consider feedback from RFI	July 2021	✓	<ul style="list-style-type: none"> • Analysing feedback from outreach activities and comment letters 	RFI published Dec 2020 (comment period ended May 2021)	ASAF: March 2021 CMAC: March 2021 EEG: Dec 2020 GPF: March 2021

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Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ²
Post-implementation Review of IFRS 9—Classification and Measurement	Gather evidence to assess whether the classification and measurement requirements of IFRS 9 are working as intended	Publish RFI	Q3 2021	✓	<ul style="list-style-type: none"> • Outreach activities to assist in identifying matters on which to consult in the RFI 	n/a	ASAF: March 2021 CMAC: March 2021 GPF: March 2021
Standard-setting projects							
Disclosure Initiative—Subsidiaries that are SMEs	To develop a reduced-disclosure IFRS Standard—using the disclosure requirements of the <i>IFRS for SMEs</i> Standard and adapting them where there are recognition and measurement differences between the <i>IFRS for SMEs</i> Standard and IFRS Standards—that would apply on a voluntary basis to subsidiaries that do not have public accountability	Publish ED	July 2021	✓	<ul style="list-style-type: none"> • Board concluded initial deliberations in Jan 2021 and decided to proceed directly to an ED • Board gave permission to start balloting process in Feb 2021 • Board decided on 180-day comment period 	n/a	ASAF: Apr 2019 GPF: Mar 2019 EEG: Nov 2020
Disclosure Initiative—Targeted Standards-level Review of Disclosures	To develop guidance for the Board itself to use when developing and drafting disclosure requirements in IFRS Standards The Board will test this guidance by applying it to the disclosure requirements in IAS 19 <i>Employee Benefits</i> and IFRS 13 <i>Fair Value Measurement</i>	Consider feedback on ED	H1 2022	1-month extension of comment period has consequential delay on considering feedback (see paragraph 20)	<ul style="list-style-type: none"> • Outreach activities to support ED (open until Oct 2021) 	ED (<i>Disclosure Requirements in IFRS Standards—A Pilot Approach</i>) published March 2021	ASAF: Apr 2019 CMAC: Jun 2019 EEG: Dec 2020 GPF: Mar 2020

Appendix A—Overview of projects on the Work Plan

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ²
Financial Instruments with Characteristics of Equity	To improve the information that companies provide in their financial statements about the financial instruments they have issued and address challenges with applying IAS 32 <i>Financial Instruments: Presentation</i>	Publish ED	TBD	✓	<ul style="list-style-type: none"> • Project moved to standard-setting programme in Dec 2020 • Developing proposals for ED 	DP published Jun 2018 In light of feedback, decided to achieve DP objectives by clarifying existing IAS 32 classification principles to address practice issues, providing classification guidance and illustrative examples and improving presentation and disclosure	ASAF: Dec 2020 CMAC: Mar 2020 GPF: Nov 2018
Management Commentary	To revise and update Practice Statement 1 <i>Management Commentary</i> issued in 2010	Consider feedback on ED	H1 2022	Publication of ED deferred from Apr to May 2021	<ul style="list-style-type: none"> • Outreach activities to support ED (open until November 2021) 	ED published May 2021	Management Commentary Consultative Group: Dec 2019 ASAF: March 2021 CMAC: Mar 2020 EEG: May 2020 GPF: Jun 2019
Primary Financial Statements	To improve how information is communicated in the financial statements, with a focus on information in the statement of profit or loss including introducing a more disciplined and transparent approach to the reporting of management-defined performance measures (a subset of ‘non-GAAP’)	Issue new IFRS Standard	TBD	✓	<ul style="list-style-type: none"> • Redeliberating the proposals in ED in light of feedback 	ED published Dec 2019	ASAF: March 2021 CMAC: Oct 2020 GPF: Oct 2020 EEG: May 2020

Appendix A—Overview of projects on the Work Plan

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ²
Rate-regulated Activities	To develop a new accounting model to give users of financial statements better information about a company's incremental rights and obligations arising from its rate-regulated activities	Consider feedback on ED	Q4 2021	1-month extension of comment period has consequential delay on considering feedback (see paragraph 20)	<ul style="list-style-type: none"> • Outreach activities to support ED (open until July 2021) 	ED published Jan 2021	Rate Regulation Consultative Group: Nov 2017 ASAF: Dec 2020 CMAC: March 2021 GPF: March 2021 EEG: May 2021
Second Comprehensive Review of the IFRS for SMEs Standard	To undertake the second periodic comprehensive review of the <i>IFRS for SMEs</i> Standard	Publish ED	TBD	Progress in period consistent with prior report. Timeline now uncertain due to availability of resources (see paragraph 13)	<ul style="list-style-type: none"> • Project moved to standard-setting programme in Dec 2020 • Developing proposals for ED 	RFI published Jan 2020	EEG: May 2020 SMEIG: Feb 2021
Other projects							
Third Agenda Consultation	To gather views on: <ul style="list-style-type: none"> • the strategic direction and balance of the Board's activities • the criteria for assessing the priority of financial reporting issues that could be added to the work plan and • new financial reporting issues that could be given priority in the Board's work plan 	Consider feedback from RFI	H2 2021	2-month extension of comment period has consequential delay on considering feedback (see paragraph 20)	<ul style="list-style-type: none"> • Outreach activities to support RFI (open until September 2021) 	RFI published March 2021	ASAF: March 2021 CMAC: Oct 2019 GPF: Oct 2019 EEG: May 2021

Appendix A—Overview of projects on the Work Plan

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document
Maintenance projects						
Availability of a Refund (Amendments to IFRIC 14)	To clarify the accounting when other parties have rights to make particular decisions about a company’s defined benefit plan	Decide project direction	TBD	n/a	•Staff researching how to progress the project	n/a
Lack of Exchangeability (Amendments to IAS 21)	To specify requirements to help companies assess when a currency is not exchangeable and the spot exchange rate to use in that situation	Consider feedback on ED	Q4 2021	✓	•Comment period open until Sep 2021	ED published Apr 2021
Lease Liability in a Sale and Leaseback	To improve the sale and leaseback requirements in IFRS 16 by (i) adding subsequent measurement requirements for sale and leaseback transactions; and (ii) specifying the method a seller-lessee uses in initially measuring the right-of-use asset and liability arising in such transactions	Decide project direction	Q3 2021	✓	•Considering feedback and developing recommendations on the project direction	ED published Nov 2020
Provisions—Targeted Improvements	To develop proposals for three targeted improvements to IAS 37: (i) aligning the IAS 37 liability definition and requirements for identifying liabilities with the <i>Conceptual Framework</i> ; and (ii) clarifying two aspects of the measurement requirements	Decide project direction	TBD	n/a	•Project slowed with staff working on higher priority projects	n/a

Appendix A—Overview of projects on the Work Plan

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document
IFRS Taxonomy projects						
Amendments to IAS 1, IAS 8 and IFRS Practice Statement 2	To reflect Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) and Definition of Accounting Estimates (Amendments to IAS 8), issued in Feb 2021	Consider feedback on Proposed Update	Jul 2021	✓	• Proposed Taxonomy Update out for comment until Jun 2021	Proposed Taxonomy Update April 2021

Appendix B—Due process documents published in the period

Standard-setting due process documents

Due process document	Due process stage	Date published	Due process reviewed by Board ³	All applicable due process steps completed
Third Agenda Consultation	Request for Information	March 2021	February 2021	✓
Disclosure Requirements in IFRS Standards—A Pilot Approach (Proposed amendments to IFRS 13 and IAS 19)	Exposure Draft	March 2021	June 2020	✓
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)	IFRS Amendment	March 2021	March 2021	✓
Lack of Exchangeability (Proposed amendments to IAS 21)	Exposure Draft	April 2021	July 2020	✓
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	IFRS Amendment	May 2021	November 2020	✓
Revised IFRS Practice Statement 1 Management Commentary	Exposure Draft	May 2021	October 2020	✓

³ Paragraph 4.16, 6.6 and 6.22–6.24 of the *Due Process Handbook* set out the due process requirements for the Board when publishing a Discussion Paper, an Exposure Draft, and a new or amended Standard respectively. Before publishing these documents, the staff presents a summary of the due process steps to the Board and asks the Board to confirm that it is satisfied that all necessary steps have been completed. The DPOC receives a copy of this summary in advance of the Board discussion.

Appendix B—Due process documents published in the period

IFRS Taxonomy due process documents

IFRS taxonomy due process document	Due process stage	Date published	Approved by Board ⁴	Reviewed Taxonomy Review Panel	Reviewed ITCG	All applicable due process steps completed
General Improvements and Common Practice (Presentation of information in primary financial statements)	Taxonomy Update	March 2021	n/a	February 2021	February 2021	✓
General Improvements and Common Practice (IAS 19 <i>Employee Benefits</i>)	Taxonomy Update	March 2021	n/a	February 2021	February 2021	✓
Amendments to IFRS 17, Extension of the Temporary Exemption from Applying IFRS 9 and Property, Plant and Equipment—Proceeds before Intended Use (Amendments to IFRS 17, IFRS 4 and IAS 16)	Taxonomy Update	March 2021	January 2021	n/a	January 2021	✓
Disclosure of Accounting Policies and Definition of Accounting Estimates (Amendments to IAS 1, IAS 8 and IFRS Practice Statement 2)	Proposed Taxonomy Update	April 2021	February 2021	n/a	February 2021	✓

⁴ The due process procedures for the IFRS Taxonomy are set out in the Annex to the *Due Process Handbook*. Paragraph A16 sets out the due process requirements for Taxonomy Updates relating to IFRS Standards. Paragraphs A32–A37 and A47 set out the requirements for general improvements, new common practice and other content changes not referred to explicitly by the IFRS Standards. The Board is required to approve IFRS Taxonomy Updates reflecting new or amended IFRS Standards; it is not required to approve new common practice or other content changes not referred to explicitly by the IFRS Standards. Changes for new common practice or other content changes not referred to explicitly by the IFRS Standards are required to be reviewed by the IFRS Taxonomy Review Panel. The IFRS Taxonomy Consultative Group (ITCG) provides guidance throughout the development of an IFRS Taxonomy Update and normally also reviews all content changes.

Appendix B—Due process documents published in the period

IFRS Interpretations Committee Agenda Decisions

Agenda decision	Due process stage	Date published	Approved by Interpretations Committee	Board not object ⁵	All applicable due process steps completed
Non-refundable Value Added Tax on Lease Payments (IFRS 16 <i>Leases</i>)	Tentative agenda decision	March 2021	March 2021	n/a	✓
Accounting for Warrants that are Classified as Financial Liabilities on Initial Recognition (IAS 32 <i>Financial Instruments: Presentation</i>)	Tentative agenda decision	March 2021	March 2021	n/a	✓
Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 <i>Intangible Assets</i>)	Agenda decision	April 2021	March 2021	April 2021	✓
Attributing Benefit to Periods of Service (IAS 19 <i>Employee Benefits</i>)	Agenda decision	May 2021	April 2021	May 2021	✓
Hedging Variability in Cash Flows due to Real Interest Rates (IFRS 9 <i>Financial Instruments</i>)	Agenda decision	May 2021	April 2021	May 2021	✓

⁵ Paragraph 8.7 of the *Due Process Handbook* requires the Board to be asked whether it objects to a (final) agenda decision approved by the Interpretations Committee before that agenda decision is published.