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## IFRS Foundation Trustees meeting – Due Process Oversight Committee

Date **October 2022**  
Topic **IASB Annual Reporting Protocol**  
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This document is prepared for discussion at a public meeting of the IFRS Foundation Trustees' Due Process Oversight Committee (DPOC). The Trustees are responsible for governance of the IFRS Foundation, oversight of the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB), and for delivery of the IFRS Foundation's objectives as set out in the IFRS Foundation *Constitution*.

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### Purpose

1. This paper considers various matters on which the International Accounting Standards Board (IASB) technical staff report to the DPOC annually:
  - (a) the receipt of comment letters and their public availability (paragraphs 4–6);
  - (b) the availability of papers to observers (paragraphs 7–9); and
  - (c) the Board's dialogue with securities and other regulators (paragraphs 10–21).
2. This report is for the year ending 30 September 2022.  
No formal action is required to be taken by the DPOC.

### Summary

3. The technical staff confirm that:
  - (a) All comment letters analysed with respect to IASB and Interpretations Committee consultations have been posted on the IFRS Foundation website.
  - (b) All agenda papers distributed to IASB or Interpretations Committee members for public meetings of the IASB or the Interpretations Committee were made available on the IFRS Foundation website. Furthermore, there were no cases in which a document discussed by the IASB or the Committee in a public meeting was withheld or had any material removed from observers.
  - (c) Regular dialogue has been maintained with securities regulators and prudential supervisors.

### Comment Letters

4. The *Due Process Handbook (Handbook)* states:

#### Comment letters

- 3.67 Comment letters play a pivotal role in [IASB] and Interpretations Committee deliberations because the letters provide considered and public responses to a formal consultation.
- 3.68 All comment letters received by the [IASB] and the Interpretations Committee are available on the IFRS Foundation website. Portions of a comment letter may be withheld from the public if publication would be harmful to the submitting party, for example, if the letter potentially breached securities disclosure laws.

5. In the year to 30 September 2022 the following comment letters were received:

	Number of comment letters
IASB	539
Interpretations Committee	172

6. Details of all the comment letters considered during the year are set out in the Appendix to this paper.

### IASB papers made available to observers

7. The *Handbook* includes a section explaining the importance of making papers discussed by the IASB members available to observers:

3.11 All material discussed by [IASB] or Interpretations Committee members in their public meetings, including papers that are prepared by technical staff, is usually made available to observers via the IFRS Foundation website. The Chair or Vice-Chair of the [IASB] or the Executive Director of Technical Activities have the discretion to withhold papers, or parts of papers, from observers if they determine that making the material publicly available would be harmful to individual parties, for example, if releasing that information could breach securities disclosure laws. The DPOC expects that withholding material in such circumstances would be rare and that most papers of the [IASB] and the Interpretations Committee will be publicly available in their entirety.

3.12 The technical staff is required to report to the [IASB] and the DPOC at least annually on the extent to which material discussed by the [IASB] 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.

8. In the year to 30 September 2022, all agenda papers distributed to IASB or Interpretations Committee members for public meetings of the IASB or the Interpretations Committee were made available on the IFRS Foundation website. Furthermore, there were no cases in which a document discussed by the IASB or the Committee in a public meeting was withheld or had any material removed from observers.
9. The staff have reported to the DPOC throughout the year on the late posting of papers for IASB meetings (defined in the *Handbook* as papers posted less than five working days in advance of meetings).

### Securities and other regulators

10. The *Handbook* states:

#### Securities and other regulators

3.55 The [IASB] is responsible for developing high-quality, understandable and enforceable IFRS [Accounting] Standards that improve the transparency and integrity of financial statements. The [IASB] is also responsible for an IFRS [Accounting]

Taxonomy that can support securities regulators in facilitating digital access to general purpose financial reports.

- 3.56 To achieve this the [IASB] maintains a dialogue with securities regulators, usually by establishing regular meetings. In addition, members of regulatory bodies are invited to act as observers to Interpretations Committee meetings.
- 3.57 Financial information prepared in accordance with IFRS [Accounting] Standards is used by other regulators, including prudential supervisors.
- 3.58 In that context the [IASB] maintains an enhanced dialogue with such authorities, particularly through the Financial Stability Board and the Bank for International Settlements.

### ***Securities regulators***

- 11. During the year to 30 September 2022, we have maintained our regular dialogue with securities regulators.
- 12. In addition to engagement with regulators as part of the outreach process for consultation documents, IASB and staff members met (via videoconference) with:
  - (a) representatives from the European Securities and Markets Authority (ESMA) in May 2022. We also attended the European Enforcers Coordination Sessions (EECS)<sup>1</sup> in December 2021 and July 2022.
  - (b) representatives from the US SEC in March, June and September 2022.
- 13. The meetings with ESMA were undertaken in accordance with the Statement of Protocols that we have with ESMA. They included discussion of application questions identified by securities regulators and discussion about particular technical projects. Standard-setting project technical staff and staff working on application questions also discussed specific topics with these and other regulators' staff on an informal basis, as and when required.
- 14. We continue to cooperate with regulators to improve the global consistency of electronic reporting. The IFRS Taxonomy team have regular calls with the US SEC and ESMA to discuss any topics that may arise from the use of the IFRS Taxonomy by these regulators.
- 15. IOSCO and ESMA are members of the Advisory Council, and two representatives attend each meeting. In addition, IOSCO representatives are observers at meetings of the Interpretations Committee. ESMA is also an observer to the IFRS Taxonomy Consultative Group. Representatives from various national regulators are also members or observers of the Advisory Council and other consultative groups.

### ***Prudential regulators***

- 16. We maintain regular dialogue with prudential regulators. Our interaction with prudential regulators is at both a policy level and at a project level.
- 17. At the policy level Andreas Barckow is a member of the Financial Stability Board (FSB). Andreas attended (virtually) the FSB Plenary meetings in October and November 2021 and February and April 2022. Andreas also attended (virtually) the FSB Steering Committee meetings in January, April and June 2022. We provide the FSB with periodic updates on the progress of our projects.

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<sup>1</sup> EECS is a permanent ESMA working group of accounting enforcers, ensuring supervisory convergence related to the enforcement of financial information prepared applying with IFRS Accounting Standards.

18. At a project level, we have regular dialogue with the Basel Accounting and Auditing Expert Group (Basel AAEG), which is a sub-committee of the Basel Committee on Banking Supervision (BCBS), meeting them two times during the period.
19. Twice a year there is a forum meeting between representatives of the IASB, the Basel AAEG and the International Institute of Finance (a global banking body). This forum enables discussion on the interaction between IFRS Accounting Standards and the requirements of the prudential regulators. These forum meetings took place in December 2021 and June 2022.
20. A representative of the BCBS is an observer on the Interpretations Committee. The International Association of Insurance Supervisors (IAIS) and BCBS are members of the Advisory Council.
21. In addition to these international initiatives, we also have interaction with prudential regulators at a national and regional level, in the period discussing projects such as the post-implementation review of the classification and measurement requirements in IFRS 9. We have also continued our close engagement with many prudential regulators (this has included the Basel AAEG, the European Central Bank, the European Banking Authority, the UK Prudential Regulatory Authority and the Association of African Central Banks).

## Appendix

### Comment letters received

Project	Due Process Stage	No. of Letters
<b>International Accounting Standards Board</b>		
Disclosure Requirements in IFRS Standards – A Pilot Approach ED/2021/3	Exposure Draft	112
Management Commentary ED/2021/6	Exposure Draft	82
Subsidiaries without Public Accountability: Disclosures ED/2021/7	Exposure Draft	68
Request for Information Post-implementation Review of IFRS 9 Financial Statements – Classification and Measurement RFI/2021/2	Request for Information	96
Non-current Liabilities with Covenants (Proposed Amendments to IAS 1) ED/2021/9	Exposure Draft	84
Supplier Finance Arrangements (Proposed Amendments to IAS 7 and IFRS 17) ED/2021/10	Exposure Draft	94
IFRS Taxonomy 2021 – Proposed Update 2 Technology Update PTU/2021/2	Proposed IFRS Taxonomy Update	1
IFRS Taxonomy 2021 – Proposed Update 3 Application of IFRS 17 and IFRS 9 – Comparative Information (Amendment to IFRS 17) PTU/2021/3	Proposed IFRS Taxonomy Update	2
<b>Interpretations Committee</b>		
TAD/21-08/IFRS 9/Cash Received via Electronic Transfer as Settlement for a Financial Asset	Tentative Agenda Decision	27
TAD/21-07/IAS 7/Demand Deposits with Restrictions on Use	Tentative Agenda Decision	17
TAD/21-09/IFRS 15/Principal versus Agent: Software Resellers	Tentative Agenda Decision	15
TAD/22-01/IAS 37/Negative Low Emission Vehicle Credits	Tentative Agenda Decision	21
TAD/22-05/N-A/Special Purpose Acquisition Companies (SPAC): Accounting for Warrants at Acquisition	Tentative Agenda Decision	11
TAD/22-02/IFRS 17/Transfer of Insurance Coverage under a Group of Annuity Contracts	Tentative Agenda Decision	30

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TAD/22-04/IAS 32/Special Purpose Acquisition Companies (SPAC): Classification of Public Shares as Financial Liabilities or Equity	Tentative Agenda Decision	9
TAD/22-03/IFRS 9-IFRS 16/Lessor Forgiveness of Lease Payments	Tentative Agenda Decision	24
Tentative Agenda Decision and comment letters: Multi-currency Groups of Insurance Contracts (IFRS 17 and IAS 21)	Tentative Agenda Decision	18