IFRS Accounting

Staff paper

Agenda reference: 12A

IASB® meeting

Date	**February 2023**
Project	**Supplier Finance Arrangements**
Topic	**Transition, effective date and due process**
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Introduction and purpose

1. In November 2022, the International Accounting Standards Board (IASB) decided to proceed with its project *Supplier Finance Arrangements*, with some changes to the proposals in the November 2021 Exposure Draft. The proposals will amend IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* by adding disclosure requirements for an entity's supplier finance arrangements. Appendix A to this paper provides a summary of the amendments.[1]

2. At its January 2023 meeting (Agenda paper 12A), the IASB discussed the effective date and the transition requirements for the amendments but made no decisions.

3. The purpose of this paper is to:
   (a) provide the IASB with supplemental information related to a possible earlier effective date for the amendments and associated transition requirements;
   (b) ask the IASB whether it agrees with our updated recommendations with respect to the effective date and transition requirements for the amendments;

[1] We reproduce in Appendix A the summary included in Agenda Paper 12A for the January 2023 IASB meeting with some added clarifying comments.

(c) set out the steps in the IFRS Foundation *Due Process Handbook* (*Due Process Handbook*) that the IASB has taken in developing the amendments;

(d) ask the IASB to confirm it is satisfied that it has complied with the due process requirements; and

(e) ask whether any IASB member intends to dissent from the amendments.

Structure of the paper

4. This paper includes:

   (a) summary of staff recommendations;

   (b) effective date and transition requirements; and

   (c) due process steps and permission for balloting:

      (i) re-exposure;

      (ii) intention to dissent;

      (iii) confirmation of due process steps; and

      (iv) proposed timetable for balloting and publication.

5. There are three appendices to this paper:

   (a) Appendix A—Summary of the Amendments;

   (b) Appendix B—Extracts from the *Due Process Handbook* (August 2020); and

   (c) Appendix C—Actions taken to meet the due process requirements.

Summary of staff recommendations

6. We recommend that the IASB:

   (a) require an entity to apply the amendments for annual reporting periods beginning on or after 1 January 2024;

(b) permit earlier application and, if an entity applies the amendments for an earlier period, require the entity to disclose that fact;

(c) to not require disclosure of comparative information for prior periods in the annual reporting period it first applies the amendments;

(d) to not require the disclosure of the following quantitative information as at 1 January 2024 in an entity's first annual financial statements after the amendments become effective:

  (i) the carrying amount of financial liabilities recognised in an entity's statement of financial position that are part of supplier finance arrangements for which suppliers have already received payment from the finance providers; and

  (ii) the range of payment due dates of both financial liabilities that are part of supplier finance arrangements and comparable trade payables that are not part of such arrangements;

(e) to not require the disclosures required by the amendments for any interim period presented within the annual period in which an entity first applies the amendments;

(f) provide no specific transition exemption for first-time adopters; and

(g) finalise the amendments without re-exposure.

Effective date and transition requirements

7. Paragraph 6.35 of the *Due Process Handbook* explains that the mandatory effective date of an IFRS Accounting Standard, or an amendment to a Standard, is set so that:

(a) jurisdictions have sufficient time to incorporate the new requirements into their legal systems; and

(b) those entities applying IFRS Accounting Standards have sufficient time to prepare for the new requirements.

8. The staff recommended in Agenda Paper 12A for the January 2023 IASB meeting (January 2023 staff paper):

   (a) an effective date of annual reporting periods beginning on or after 1 January 2025—that is, 18 months after the end of the second quarter of 2023 when we plan to issue the amendments. The IASB generally allows at least 12–18 months between the issuance of a new IFRS Accounting Standard or amendment and its effective date.

   (b) requiring an entity to apply the amendments retrospectively in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and with no specified relief from the requirements of IAS 34 *Interim Financial Reporting* for interim financial reports issued within the annual period in which an entity first applies the amendments.[2]

9. During its January 2023 meeting, some IASB members expressed concern that an effective date of 1 January 2025 may result in users of financial statements not having access to the required information and increased transparency about supplier finance arrangements until 2026 when entities issue their annual financial statements as at 31 December 2025. The IASB therefore asked the staff to consider whether an earlier effective date—such as for annual reporting periods beginning on or after 1 January 2024—would provide jurisdictions and entities sufficient time to prepare for the new requirements.

10. In response to the IASB members' request, we have conducted additional targeted outreach including with some national standard-setters in jurisdictions that are required to complete endorsement processes to incorporate new IFRS Accounting Standards or amendments to Accounting Standards into their legal systems. We asked whether an effective date of annual reporting periods beginning on or after 1 January 2024 for amendments to require new disclosures about supplier finance arrangements

[2] Paragraph 15 of the January 2023 staff paper, which references Agenda Paper 12E of the July 2022 IASB meeting, summarises respondents' comments on the proposed retrospective application of the amendments.

would allow them sufficient time to complete their endorsement processes. Through this outreach process, we also received feedback from investors and auditors.

Sufficient time for jurisdictions

11. Our targeted outreach with national standard-setters informed us that:

    (a) most of the standard-setters that responded expect they will have sufficient time to incorporate the new requirements into their legal systems if the amendments are issued within the second quarter of 2023. Endorsement may occur within 2024 but before entities need to produce (or authorise for issuance) their annual financial statements as at 31 December 2024.

    (b) one standard-setter said their due process would require endorsement before the effective date, but that their preliminary timeline indicates they will be able to complete the process by 31 December 2023 for an effective date of 1 January 2024. However, they have noted that this provides little margin for unexpected events that may delay the completion date. Additionally, due to limited resources, this standard-setter said that prioritising endorsement activities for supplier finance arrangements may result in it deferring its responses to other IASB requests for information or feedback.

12. The feedback from our targeted outreach suggests that if the IASB decides on an effective date of 1 January 2024, jurisdictions would have sufficient time to incorporate the new requirements into their legal systems. We also note that the amendments do not add significant additional text to IFRS Accounting Standards—that is, we do not expect translation to take significant time and effort.

13. As stated in the January 2023 staff paper, the IASB received no feedback on its proposal to permit earlier application. We therefore recommend that the IASB permit such earlier application, with a requirement for an entity to disclose the fact that it has applied the amendments early when that is the case.

14. Therefore, we recommend that the IASB:

(a) require an entity to apply the amendments for annual reporting periods beginning on or after 1 January 2024; and

(b) permit earlier application and, if an entity applies the amendments for an earlier period, require the entity to disclose that fact.

15. Some national standard-setters expressed uncertainty about the readiness of entities in their jurisdictions to disclose quantitative information that would be required by the amendments—particularly for information to be disclosed as at 1 January 2024 (even if that information is not required to be reported until a later date, such as at 31 December 2024). We analyse these and similar concerns in the next section.

Sufficient time for an entity

16. We analyse whether an effective date of 1 January 2024 provides entities applying IFRS Accounting Standards with sufficient time to prepare for the new requirements by considering:

(a) comparative information; and

(b) information within the annual reporting period in which an entity first applies the amendments; specifically:

(i) quantitative information as at the beginning of the annual reporting period (1 January 2024); and

(ii) interim financial reports.

Comparative information

17. The staff's recommendation set out in the January 2023 staff paper was that, for a set of annual financial statements as at 31 December 2025 with comparative information for one preceding period (the comparative period), an entity would provide the quantitative disclosures as at:

(a) the end of the period it first applies the amendments (31 December 2025);

(b) the end of the comparative period (31 December 2024); and

(c) the beginning of the comparative period (1 January 2024).

18. In contrast, for a set of annual financial statements as at 31 December 2024 with one comparative period, an effective date of 1 January 2024 would result in an entity providing the quantitative disclosures as at:

(a) the end of the period it first applies the amendments (31 December 2024);

(b) the end of the comparative period (31 December 2023); and

(c) the beginning of the comparative period (1 January 2023).

19. In such a case, the beginning of the comparative period (1 January 2023) is before the amendments are (or will be) issued. Therefore, we anticipate that an effective date of 1 January 2024 with full retrospective application may cause practical difficulties for entities that have not collected or captured quantitative information as at 1 January 2023 as would be required to be disclosed applying the amendments.

20. In the January 2023 staff paper, we stated that feedback received on the Exposure Draft did not contradict the IASB's view in paragraph BC24 of the Basis for Conclusions on the Exposure Draft that the comparative information would enable investors to identify and assess changes and trends in the effects of supplier finance arrangements on an entity's liabilities and cash flows, and on its exposure to liquidity risk.

21. However, based on comments from IASB members at their January 2023 meeting and the results of our subsequent targeted outreach, it is our understanding that investors would prefer that an entity be required to provide information about its supplier finance arrangements in its financial statements sooner rather than later, even if that means an entity would not be required to provide comparative information for prior periods, such as for 2023.

22. Therefore, we recommend the IASB not require an entity to disclose comparative information for prior periods in the annual reporting period it first applies the amendments.

Information within the annual reporting period in which an entity first applies the amendments

Quantitative information as at the beginning of the annual reporting period (1 January 2024)

23. In the January 2023 staff paper we stated our view that an entity would have sufficient time to prepare for the new requirements if the IASB were to set an effective date of annual reporting periods beginning on or after 1 January 2025, with retrospective application, because:

    (a) the amendments are disclosure-only and do not affect the recognition, measurement, classification or presentation of the financial liabilities that are part of supplier finance arrangements;

    (b) feedback did not contradict the IASB's expectation expressed in paragraph BC18 of the Basis for Conclusions on the Exposure Draft that the information to be disclosed—excluding the information discussed in paragraph (c) below—is already readily available to entities; and

    (c) we expect entities would be able to obtain access to the information about the carrying amount of financial liabilities that are part of supplier finance arrangements for which suppliers have already received payment from the finance providers based on feedback that:

        (i) the amendments affect the contracts only for supplier finance arrangements;

        (ii) the information is typically available from the information technology systems used to facilitate such arrangements; and

        (iii) if changes to supplier finance arrangement contracts are necessary to allow an entity access to the information, those changes could be completed with sufficient time to meet an effective date of 1 January 2025, including retrospective application.

24. For a set of annual financial statements as at 31 December 2024, an effective date of 1 January 2024 with no comparative information for 2023 would result in an entity providing the quantitative disclosures as at:

(a) the end of the period it first applies the amendments (31 December 2024); and

(b) the beginning of the annual reporting period (1 January 2024).

25. Most respondents to the Exposure Draft did not provide feedback on the proposed transition requirements or about reporting information in interim financial reports. Feedback from our targeted outreach after the January 2023 IASB meeting identified factors that may make it difficult for an entity to prepare all the items of information as at 1 January 2024 as required by the amendments. These factors may include but are not limited to:

(a) the number and location (jurisdiction) of the entity's supplier finance arrangements;

(b) the number of companies within an entity's consolidated group that use supplier finance arrangements;

(c) the extent and type of internal controls over information to be disclosed that an entity is required to develop, test and execute; and

(d) the extent and type of audit procedures over information to be disclosed that the entity's auditors are required to perform.

26. We were informed that these factors affecting an entity's ability to collect and prepare information about supplier finance arrangements as at 1 January 2024 remain relevant even if the reporting of that information is not required until the end of the annual reporting period as at 31 December 2024. For example, if endorsement processes in particular jurisdictions are completed during 2024 but not before 1 January 2024, entities may be delayed in establishing processes and controls to collect and validate information as at 1 January 2024. If information collection processes and controls are

established after 1 January 2024, it may not be possible to use those, with sufficient reliability, on a retrospective basis to the beginning of the period.

27. National standard-setters and auditors expressed particular concern about an entity's ability to prepare for disclosure in its annual financial statements the following quantitative information as at 1 January 2024:

    (a) the carrying amount of financial liabilities recognised in an entity's statement of financial position that are part of supplier finance arrangements for which suppliers have already received payment from the finance providers; and

    (b) the range of payment due dates of both financial liabilities that are part of supplier finance arrangements and comparable trade payables that are not part of such arrangements.

28. In Agenda Paper 12E for the IASB's November 2022 meeting, we provided our summary and staff analysis of the feedback on the proposed disclosure requirements, including the two items of information set out in paragraph 27 of this paper. We weighed the anticipated costs identified by respondents and the benefits of the information to investors in making our recommendation to the IASB to proceed with requiring these items in the package of disclosures about supplier finance arrangements.

29. For similar reasons as set out in paragraph 20 of this paper, we think there are benefits to investors if an entity is required to provide information about its supplier finance arrangements in its financial statements sooner rather than later, even if that means an entity would not be required to provide information as at 1 January 2024 for the two items of information set out in paragraph 27 of this paper. In our view, this approach balances the needs of investors for more timely information about supplier finance arrangements with entities' need for sufficient time to produce verifiable, accurate and consistent quantitative information about those arrangements.

30. We considered whether to recommend that the IASB require an entity to disclose these two items of quantitative information as at 1 January 2024 unless it is

impracticable for the entity to do so, applying the requirements in IAS 8.[3] Requiring disclosure unless it is impracticable may bring discipline to the transition requirements, ensuring that an entity does not unnecessarily delay the process to prepare information for disclosure; in other words, if an entity can disclose the information, it would be required to do so.

31. However, requiring disclosure unless it is impracticable adds complexity to the transition requirements. The combination of our recommended effective date and the requirement for an entity to disclose information as of the beginning of the reporting period compresses the time entities will have available to prepare for the requirements. On balance, we think requiring disclosure of the quantitative information set out in paragraph 27 of this paper as at 1 January 2024 unless it is impracticable is not warranted, and we therefore do not recommend that the IASB pursue this approach.

32. Therefore, we recommend that the IASB not require an entity to disclose the following quantitative information as at 1 January 2024 in its first annual financial statements after the amendments become effective:

    (a) the carrying amount of financial liabilities recognised in an entity's statement of financial position that are part of supplier finance arrangements for which suppliers have already received payment from the finance providers; and

    (b) the range of payment due dates of both financial liabilities that are part of supplier finance arrangements and comparable trade payables that are not part of such arrangements.

Interim financial reports

33. The feedback from our targeted outreach after the January 2023 IASB meeting that is discussed in paragraphs 24–25 of this paper is also relevant to our consideration of disclosure in interim periods. The factors identified that may make it difficult for an

[3] The term impracticable is defined in paragraph 5 of IAS 8. Paragraphs 23–27 of IAS 8 provide requirements that apply when retrospective application is impracticable.

entity to prepare all the items of information required by our amendments as at 1 January 2024 also may make it difficult for an entity to provide the disclosures required by the amendments for any interim period presented within the annual period in which an entity first applies the amendments.

34. The Exposure Draft and our recommendations in the January 2023 staff paper included no specified relief from the requirements of IAS 34 for interim financial reports issued within the annual period in which an entity first applies the amendments. The existing requirements of IAS 34 would apply. For entities that may be required under IAS 34 to provide information about its supplier finance arrangements in interim financial reports, we considered whether to recommend to the IASB a similar approach for disclosure in interim periods in the first year of application as we recommended for disclosure of information as at 1 January 2024. For example, we considered whether such entities need not disclose the two items of information set out in paragraph 30 of this paper. We decided not to recommend such an approach because:

(a) some national standard-setters may have sufficient time to complete their endorsement processes by 31 December 2024 but not in time for interim reporting deadlines during 2024—and this would likely affect all rather than only some of the requirements; and

(b) it adds complexity to the transition requirements.

35. Therefore, we recommend that the IASB not require an entity to disclose the information required by the amendments for any interim period presented within the annual period in which the entity first applies the amendments.

Question 1 – Effective date and transition requirements
Does the IASB agree with our recommendations to: (a) require an entity to apply the amendments for annual reporting periods beginning on or after 1 January 2024;

Question 1 – Effective date and transition requirements
(b) permit earlier application and, if an entity applies the amendments for an earlier period, require the entity to disclose that fact; (c) to not require disclosure of comparative information for preceding periods during the annual reporting period it first applies the amendments; (d) to not require the disclosure of the following quantitative information as at 1 January 2024 in an entity's first annual financial statements after the amendments become effective: (i) the carrying amount of financial liabilities recognised in an entity's statement of financial position that are part of supplier finance arrangements for which suppliers have already received payment from the finance providers; and (ii) the range of payment due dates of both financial liabilities that are part of supplier finance arrangements and comparable trade payables that are not part of such arrangements; and (e) to not require the disclosures required by the amendments for any interim period presented within the annual period in which an entity first applies the amendments.

First-time adopters

36. Paragraph 20 of IFRS 1 *First-time Adoption of International Financial Reporting Standards* says: '[t]his IFRS does not provide exemptions from the presentation and disclosure requirements in other IFRSs.' The disclosure-only nature of the amendments, therefore, does not necessitate any specific transition exemption for first-time adopters.

Question 2 – Transition requirements for first-time adopters
Does the IASB agree with our recommendation to provide no specific transition exemption for first-time adopters?

Due process steps and permission for balloting

Re-exposure

37. As noted in paragraph A2 of this paper, the IASB has tentatively decided to proceed with the amendments including making some changes to the proposals.

38. In the light of these changes, we considered the requirements in paragraphs 6.25–6.29 of the *Due Process Handbook* (reproduced in Appendix B to this paper) to assess whether the IASB should re-expose the amendments.

39. In our view, the changes set out in paragraph A2 of Appendix A of this paper respond to feedback without fundamentally changing the proposed amendments that were included in the Exposure Draft. The changes either clarify the information an entity would be required to disclose or make the proposals more practical to apply. Therefore, in our view it is unlikely that re-exposure would reveal new information or feedback not already considered by the IASB.

40. Accordingly, we recommend that the IASB finalise the amendments without re-exposure.

Question 3 – Re-exposure
Does the IASB agree with our recommendation to finalise the amendments without re-exposure?

Intention to dissent

41. In accordance with paragraph 6.23 of the *Due Process Handbook*, we are asking whether any IASB member intends to dissent from the amendments.

Question 4 – Dissent
Does any IASB member intend to dissent from the amendments?

Confirmation of due process steps

42. In our view the IASB has undertaken all the due process steps identified as being required in the *Due Process Handbook* and, thus, is able to finalise the amendments. Appendix B to this paper summarises the due process steps taken in developing the amendments. The applicable due process steps to date for issuing the amendments have been completed.

43. We request permission to start the balloting process if the IASB is satisfied that (a) it has been provided with sufficient analysis, and (b) has undertaken appropriate consultation and due process to support issuing the amendments.

Question 5 – Permission to ballot
Is the IASB satisfied it has complied with the applicable due process requirements and that it has undertaken sufficient consultation and analysis to begin the balloting process for the amendments?

Proposed timetable for balloting and publication

44. The balloting process for the amendments will commence in the near term, with the amendments planned for issue in the second quarter of 2023.

Appendix A—Summary of the Amendments

A1. The proposed disclosure requirements in the Exposure Draft, together with existing disclosure requirements in IFRS Accounting Standards[4], are intended to result in an entity reporting information that will enable users of financial statements (investors) to assess the effects of supplier finance arrangements on the entity's liabilities, cash flows and exposure to liquidity risk.

A2. In response to input and feedback, the IASB tentatively decided in November 2022 to proceed with the amendments including making the following changes to the proposals in the Exposure Draft:

Proposals in the Exposure Draft	IASB's tentative decisions
Scope	
A supplier finance arrangement is characterised by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay the finance providers at the same date as, or a date later than, suppliers are paid. These arrangements provide the entity with extended payment terms, or the entity's suppliers with early payment terms, compared to the related invoice payment due date. Supplier finance arrangements are often referred to as supply chain finance, payables finance or reverse factoring arrangements.	Specify that a supplier finance arrangement is characterised by the entity 'agreeing to pay according to the terms and conditions of the arrangement' and consider in drafting whether to add examples to the scope paragraph to illustrate the types of payment arrangements or instruments that are outside the scope of the disclosure requirements.

[4] The Agenda Decision *Supply Chain Financing Arrangements—Reverse Factoring* explains the existing requirements in IFRS Accounting Standards that apply to these arrangements.

Proposals in the Exposure Draft	IASB's tentative decisions
Disclosure objective	
An entity shall disclose information about its supplier finance arrangements (as described in the scope above) that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows.	Add a reference to an entity's exposure to liquidity risk.
Disclosure requirements	
The terms and conditions of supplier finance arrangements (including, for example, extended payment terms and security or guarantees provided).	No change.
The carrying amounts of the financial liabilities recognised in an entity's statement of financial position that are part of supplier finance arrangements and the line items in which those liabilities are presented.	Clarify that if the carrying amount of financial liabilities that are part of supplier finance arrangements is presented in more than one line item in the statement of financial position, an entity would disclose each line item and the associated carrying amount presented in that line item.

Proposals in the Exposure Draft	IASB's tentative decisions
The carrying amount of financial liabilities disclosed under the requirement in the line above for which suppliers have already received payment from the finance providers.	No change.[5]
The range of payment due dates of both financial liabilities that are part of supplier finance arrangements and trade payables that are not part of such arrangements.	Clarify that when an entity discloses the range of payment due dates of financial liabilities that are part of such arrangements and trade payables that are not, the financial liabilities and trade payables should be on a comparable basis, such as within the same business line.
Level of aggregation	
An entity shall disclose additional information about its supplier finance arrangements if necessary to meet the disclosure objective (for example, additional information about the range of payment due dates when that range	Change the proposed level of aggregation to require an entity to aggregate information provided about its supplier finance arrangements and disaggregate the following particular information:

[5] The carrying amount of the financial liabilities for which suppliers have already received payment from the finance providers represents a subset of the carrying amount of the financial liabilities disclosed under the requirement in the line above. Therefore, the clarification the IASB decided to make about situations in which the carrying amount of financial liabilities is presented in more than one line item extends to the carrying amount of the financial liabilities for which suppliers have already received payment. An entity discloses information for each line item and its associated carrying amount.

Proposals in the Exposure Draft	IASB's tentative decisions
is wide); and is permitted to aggregate the information for different arrangements only when the terms and conditions of those arrangements are similar.	(a) unusual or unique terms and conditions of individual arrangements; (b) the effect of particular transactions or reclassifications that cause the carrying amount of financial liabilities that are part of arrangements to not be on a comparable basis at the beginning and end of the reporting period; and (c) explanatory information about the range of payment due dates when that range is wide (an example already included in the Exposure Draft).
Examples	
Add supplier finance arrangements as an example in: (i) a new sub-paragraph to paragraph 44B of IAS 7 about changes in liabilities arising from financing activities; (ii) within sub-paragraph B11F(a) and a new sub-paragraph B11F(j) in IFRS 7 that list the other factors that an entity might	Proceed with changes to paragraphs B11F(j) and IG18 of IFRS 7 and not proceed with changes to paragraph 44B of IAS 7[6] or paragraph B11F(a) of IFRS 7.

[6] Non-cash changes would be required to be disclosed as part of the disaggregated information summarised in the 'level of aggregation' section of the table above.

Proposals in the Exposure Draft	IASB's tentative decisions
consider in providing a description of how it manages liquidity risk; and (iii) an amended paragraph IG18 of IFRS 7.	

Appendix B—Extracts from the *Due Process Handbook* (August 2020)[7]

6.25 In considering whether there is a need for re-exposure, the Board:

(a) identifies substantial issues that emerged during the comment period on the exposure draft and that it had not previously considered;

(b) assesses the evidence that it has considered;

(c) determines whether it has sufficiently understood the issues, implications and likely effects of the new requirements and actively sought the views of interested parties; and

(d) considers whether the various viewpoints were appropriately aired in the exposure draft and adequately discussed and reviewed in the basis for conclusions.

6.26 It is inevitable that the final proposals will include changes from those originally proposed. The fact that there are changes does not compel the Board to re-expose the proposals. The Board needs to consider whether the revised proposals include any fundamental changes on which respondents have not had the opportunity to comment because they were not contemplated or discussed in the basis for conclusions accompanying the exposure draft. The Board also needs to consider whether it will learn anything new by re-exposing the proposals. If the Board is satisfied that the revised proposals respond to the feedback received and that it is unlikely that re-exposure will reveal any new concerns, it should proceed to finalise the proposed requirements.

6.27 The more extensive and fundamental the changes from the exposure draft and current practice the more likely the proposals should be re-exposed. However, the Board needs to weigh the cost of delaying improvements to financial reporting against the relative urgency for the need to change and what additional

[7] In this extract, 'Board' refers to the International Accounting Standards Board.

steps it has taken to consult since the exposure draft was published. The use of consultative groups or targeted consultation can give the Board information to support a decision to finalise a proposal without the need for re-exposure.

6.28 The Board should give more weight to changes in recognition and measurement than disclosure when considering whether re-exposure is necessary.

6.29 The Board's decision on whether to publish its revised proposals for another round of comment is made in a Board meeting. If the Board decides that re-exposure is necessary, the due process to be followed is the same as for the first exposure draft. However, because it is not the first exposure of the proposed IFRS Standard, it may be appropriate to have a shortened comment period, particularly if the Board is seeking comments on only specific aspects of the revised exposure draft, while recognising that respondents may not limit their comments to these aspects. The public comment period for such documents will normally be at least 90 days.

Appendix C—Actions taken to meet the due process requirements

Step	Required / Optional	Actions
Consideration of information gathered during consultation		
The IASB posts all of the comment letters that are received in relation to the Exposure Draft on the project pages.	Required	All comment letters received by the IASB (94 comment letters) have been posted on the project website here: IFRS - Exposure Draft and comment letters: Supplier Finance Arrangements
IASB and IFRS Interpretations Committee meetings are held in public, with papers being available for observers. All decisions are made in public sessions.	Required	At its July 2022 meeting, the IASB discussed a summary of feedback on the Exposure Draft. At its November 2022 meeting, the IASB considered staff analysis and recommendations having considered feedback and discussed how the project should proceed. The IASB decided to finalise its proposed amendments to IAS 7 and IFRS 7 with some changes. All staff papers above are publicly available. The project page on our website has up-to-date information about all technical papers related to the project.

Analysis of likely effects of the forthcoming Standard or major amendment, for example, costs or ongoing associated costs.	Required	The IASB considered the likely effects of the amendments at each stage of their development. The Basis for Conclusions on the amendments will include the IASB's views on these effects.
Finalisation		
Due process steps are reviewed by the IASB.	Required	This step will be met by this Agenda Paper.
Need for re-exposure of a Standard is considered.	Required	This Agenda Paper discusses re-exposure. We recommend that the IASB not re-expose the amendments.
The IASB sets an effective date for the Standard, considering the need for effective implementation.	Required	This Agenda Paper discusses the effective date. We recommend an effective date of annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.
Drafting		
Drafting quality assurance steps are adequate.	Required	To be completed in due course. The Translations, Taxonomy and Editorial teams will review the pre-ballot draft. We intend to send a draft of the amendments to external parties for review before finalisation.

		This process provides us with feedback on the clarity and understandability of the new requirements.
Publication		
News release to announce the final Standard.	Required	To be completed in due course. A news release will be published with the amendments.
A Feedback Statement is provided for a new IFRS Accounting Standard or a major amendment to a Standard, which provides an executive summary of the Standard and explains how the IASB has responded to the comments received.	Required	Not considered necessary because these amendments are narrow in scope. The Basis for Conclusions on the amendments will explain how the IASB has responded to comments received.
Standard is published.	Required	The amendments will be made available on our website when published.