

---

**IFRS Foundation Trustees meeting – Due Process Oversight Committee**

Date **October 2023**  
Topic **IASB Consultative Groups – Annual Review**  
Contacts **Nili Shah** ([nshah@ifrs.org](mailto:nshah@ifrs.org))  
**Fred Nieto** ([fnieto@ifrs.org](mailto:fnieto@ifrs.org))

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*.

---

**Introduction**

1. This paper provides the DPOC with the technical staff's annual review of the IFRS Foundation's consultative groups supporting the IASB for the period October 2022 to September 2023.
2. No formal action is required to be taken by the DPOC.

**Background**

3. Paragraphs 3.59–3.66 of the Due Process Handbook (*Handbook*) set out the provisions relating to consultative groups. The *Handbook* notes that the IFRS Foundation usually establishes a consultative group, such as a specialist or expert advisory group, for each of the IASB's major projects in order to give the IASB access to additional practical experience and advice.
4. The *Handbook* goes on to state:
  - 3.66 All consultative groups are reviewed by the IFRS Foundation staff each year to assess whether each group is continuing to serve the function for which it was established and whether the membership should remain the same. The outcome of the review is presented to the [IASB] and the DPOC.
5. Paragraph 2.8(c) sets out the DPOC's responsibilities with respect to consultative groups:
  - 2.8 The DPOC is responsible for:
    - (c) reviewing the composition of consultative groups to ensure an appropriate balance of perspectives and overseeing the monitoring by the [IASB] and the technical staff of the effectiveness of those groups
6. The staff discusses the composition of consultative groups with the DPOC or Trustees on a real-time basis (eg when projects reach a milestone in the case of project specific groups, or when membership rotates in the case of, for example, ASAF and SMEIG). This paper, therefore, covers the effectiveness of the consultative groups.
7. The IASB currently has seven standing groups and two project consultative groups.

**Review**

8. The staff, in conjunction with the IASB members responsible for each consultative group, has reviewed the consultative groups in line with paragraph 3.66 of the *Handbook*. The staff has also reported the main themes from this review to all IASB members.
9. The table in [Appendix A](#) provides an overview of the groups and their activities during the period, including the number of meetings held, the attendance at the meetings and the nature of the topics discussed. [Appendix B](#) sets out the objective and composition of each of the groups.

10. This review also considers survey data from:

- (a) consultative group members<sup>1</sup> (external surveys) from Accounting Standards Advisory Forum (ASAF), Capital Markets Advisory Committee (CMAC), Emerging Economies Group (EEG), Global Preparers Forum (GPF), the IFRS Taxonomy Consultative Group (ITCG), Islamic Finance Consultative Group (IFCG), and SME Implementation Group (SMEIG). These surveys gather views after a meeting about the relevance of the topics discussed, the quality of meeting materials and our engagement in the meeting. Respondents are asked to provide ratings ranging from 1-poor to 5-excellent, and to provide any additional feedback in written comments.
- (b) staff and IASB members (internal surveys) attending the ASAF, EEG, CMAC, GPF, IFCG, ITCG, and SMEIG meetings. These surveys gather views after a meeting about the usefulness of the input obtained and effectiveness of the individual meeting sessions. Respondents are asked to provide ratings ranging from 1-poor to 5-excellent, and to provide any additional feedback in written comments.

11. Survey data shows that most groups are functioning at or above the 4-level, and one group between the **3-level and 4-level**.

**Staff conclusion**

12. **Based on the information in the [Appendix A](#) and a review of the internal and external surveys with IASB members responsible for each group, we consider all currently active consultative groups to be serving the function for which they were established. The IASB has received useful input from all the consultative groups that have met in the period.**

### **Matters of interest arising from the review**

13. In 2023, building on our learnings from the covid-19 pandemic, we offered consultative group meetings in a hybrid meeting format while strongly encouraging in person attendance.

- (a) For recurring meetings, 80% of the meetings were held on a hybrid-basis and 20% were virtual-only. For the hybrid meetings, the mix of members attending on an in-person basis averaged 51% and included several meetings with >80% in-person attendance and several that had <40% in-person attendance. The rate of in-person attendance at the meetings did not have a noticeable correlation with the average scores for the external and internal surveys.
- (b) For ad hoc meetings for topics that require timely feedback between recurring meetings, we use a virtual format.

14. We have regularly held dialogue with different consultative group members to assess their members' ability to attend in-person meetings and monitor their feedback on the effectiveness of the hybrid format. Overall, feedback from members about holding meetings in a hybrid format was positive in regard to the flexibility it can provide and emphasised that providing high-quality meeting materials (ie targeted questions) are a key to supporting the most effective discussions between virtual and in-person participants. We also obtained feedback about the hybrid format from board members and staff, who noted that they appreciate this format's convenience can help in having members attend meetings when it would not be possible to do on an in-person basis, but they also anecdotally observed that members attending in-person seemed to be, on average, more engaged in the discussions.

---

<sup>1</sup> The term 'member' refers to members and, as applicable, observers.

15. Another common theme that continued from the surveys this period has been the interest from members of the various consultative groups in following developments to establish the ISSB and the launch of IFRS S1 and S2 and the implications for connections between the future work of the two boards.

*Capital Markets Advisory Committee*

16. The CMAC added two members in 2023, taking its membership to a total of 20 members. The Committee's new members are co-opted by current members of CMAC, following a public call for nominations by the membership. The Stakeholder Engagement team and IASB members support the committee's efforts to recruit candidates from a variety of backgrounds (ie buy-side, sell-side, rating agency, geographic and industry specialisation) to promote the group's diversity and ensure it can provide board members and staff with a range of perspectives from the professional investor community.

*Emerging Economies Group*

17. The Emerging Economies Group met:

- (a) in-person in Riyadh, Saudi Arabia in December 2022.
- (b) virtually in May 2023.

18. As previously reported to the DPOC, in 2023, the Terms of Reference for the Group were revised to make the meetings public and therefore more transparent. Another revision was to replace the production of a post-meeting communiqué with a post-meeting report.

19. The previous Vice Chair of the Group resigned from his position in the Accounting Regulatory Department of the Ministry of Finance of China. His successor in that position has taken over as Vice Chair of the Group.

*Global Preparers' Forum*

20. The GPF added two members in 2023, taking its membership to a total of 15 members. The GPF's new members are appointed by the existing membership through a process administered by the GPF Nominations Committee, following a public call for nominations by the membership. The Stakeholder Engagement team and IASB members support the committee's efforts to recruit candidates from a wide geographic and industry membership to maintain the group's diversity and ensure it can provide board members and staff with a range of perspectives.

*SME Implementation Group*

21. The Group met in July 2023 to discuss the feedback on the Exposure Draft *Third edition of the IFRS for SMEs Accounting Standard* from the second periodic comprehensive review of the *IFRS for SMEs Accounting Standard*. The recommendations of the SMEIG members will be discussed with the IASB in considering the feedback on the Exposure Draft.

22. The Group currently has 29 members and three observers. Between April and June 2023, the Trustees of the IFRS Foundation appointed 12 new members to the SMEIG. These new members started their three-year terms on 1 July 2023, replacing seven existing members that did not stand for a second term at that date.

*Islamic Finance Consultative Group*

23. The Islamic Finance Consultative Group met:

- (a) in-person in Kuala Lumpur, Malaysia, in November 2022.
- (b) virtually in May 2023.

24. A virtual meeting is planned for November 2023.

25. The Group currently has 15 members. During the period:
- (a) the previous Group Chair, stepped down after serving as Chair for six years and continues to be a member of the Group. An IASB member (who is also the Chair of the IFRS Interpretations Committee) took over as the Group Chair.
  - (b) the IASB appointed one new member to the Group from the Middle East region.
  - (c) a member, designated by an organisation represented in the Group, was replaced with another member designated by that organisation.
  - (d) a member, designated by an organisation represented in the Group with two members, stepped down, resulting in retaining one member from that organisation (similar to other organisations represented in the Group).
  - (e) a member stepped down with no replacement.

*IFRS Taxonomy Consultative Group*

26. The *Handbook* requires consultation with the IFRS Taxonomy Consultative Group (ITCG) during development of changes to the IFRS Accounting Taxonomy. The ITCG met in December 2022, February 2023 and July 2023 in a hybrid meeting format to discuss matters relating to the IFRS Accounting Taxonomy and *proposed* IFRS Sustainability Disclosure Taxonomy. An in-person meeting is scheduled for October 2023.
27. Effective from 1 August 2023, the remit of the ITCG was formally expanded to advise both the IASB and International Sustainability Standards Board (ISSB) on their respective digital taxonomies and related activities. The ITCG's Terms of Reference have been updated accordingly. The expanded remit was approved by the IASB and ISSB at their respective board meetings in March and April 2023, and was discussed with the DPOC at its March and May 2023 meetings.
28. The ITCG currently has 20 members and four appointed observers. Eleven ITCG members had terms ending 1 August 2023. The IASB and ISSB re-appointed three members and appointed ten new members. Terms were for a two- or three-year period starting 1 August 2023. Seven ITCG members retired. At its July 2023 meeting the DPOC reviewed the proposed composition of the ITCG before new appointment and reappointments were finalised to ensure an appropriate balance of perspectives, including geographical balance.

*Management Commentary Consultative Group*

29. As previously reported, the IASB discussed feedback on its proposals on management commentary in H1 2022. The IASB noted strong support for the project, in particular from the investor community, and calls from stakeholders to collaborate with the ISSB in advancing the project.
30. The project has been on hold pending the outcome of the ISSB's Consultation on Agenda Priorities, which includes questions about a potential project on integration in reporting and whether that project should be undertaken jointly with the IASB and build on the IASB's Exposure Draft *Management Commentary*. The staff informed the Group of those developments.
31. The ISSB's Consultation closed on 1 September 2023. It is intended that the IASB and ISSB will meet jointly to discuss the feedback on the potential project on integration in reporting in preparation for making their respective decisions in H1 2024. Those decisions will inform the future direction of the Group. We will update the DPOC at a future date on how it is expected advice will be sought from this Group and potential changes the membership.

*Transition Resource Group for Insurance Contracts*

32. IFRS 17 became effective on 1 January 2023, and as a result the work of the TRG for IFRS 17 is now complete. As previously reported to the DPOC, this Group has been closed.

## Appendix A

Consultative group	Meetings per mandate	Meetings in review period	Date of last meeting	Attendance at each meeting	Topics on which consulted	Feedback to Group	Continuing to serve function
<b>Standing Consultative Groups</b>							
Accounting Standards Advisory Forum	Normally 4 per year	5	Sept 2023	All 12 members represented at each meeting	Various of the IASB's projects, including International Tax Reform - Pillar Two Model Rules, Goodwill and Impairment, Primary Financial Statements, Rate-regulated Activities, Climate-related risks in the Financial Statements, Equity Method, Disclosure Initiative – Subsidiaries that are SMEs, Climate-related risks in the Financial Statements, Equity Method, Provisions – Targeted Improvements.	At each meeting we provide ASAF with a summary of how the advice given at the previous meeting(s) has or will be used.  We continue to identify the staff papers in which ASAF members' advice has been considered by the IASB.	✓
Capital Markets Advisory Committee	At least 3 times per year	3	June 2023	October: 15 of 19 March: 18 of 20 June: 16 of 20	Various of the Board's projects including Business Combinations under Common Control, Business Combinations – Disclosure, Goodwill and Impairment, Primary Financial Statements, Climate-related risks in the Financial Statements, Equity Method, Provisions – Targeted Improvements. Update on the ISSB work.	At each meeting we provide CMAC with a summary of how the advice given at the previous meeting has or will be used.	✓
Global Preparers Forum	Normally 3 times per year	3	June 2023	November: 13 of 16 March: 15 of 17 June: 13 of 15	Various of the Board's projects including Business Combinations under Common Control, Business Combinations – Disclosures, Goodwill and Impairment, Disclosure Initiative – Subsidiaries that are SMEs, Primary Financial Statements, Climate-related risks in the Financial Statements, Equity Method, Provisions – Targeted Improvements. Update on the ISSB work.	At each meeting we provide GPF with a summary of how the advice given at the previous meeting has or will be used.	✓

Consultative group	Meetings per mandate	Meetings in review period	Date of last meeting	Attendance at each meeting	Topics on which consulted	Feedback to Group	Continuing to serve function
Emerging Economies Group	Generally 2 per year	2	May 2023	Dec 2022: meeting: 10 of 12 members represented  May 2023 meeting: 11 of 12 members represented	Various of the IASB's projects, including disclosure initiative projects, Equity Method, Climate-related Risks in the Financial Statements, Disclosure Initiative – Subsidiaries that are SMEs, Primary Financial Statements, Business Combinations under Common Control, PIR of IFRS 15 – Revenue from Contracts with Customers. Update on the ISSB work.	At each meeting we present a cumulative log of topics discussed at previous meetings showing how the advice given has or will be used.	✓
SME Implementation Group	n/a – the chair of the SMEIG decides if a meeting is necessary	2	July 2023	October 2022: 21 of 24 members (plus 1 of 3 observers)  July 2023: 23 of 29 members (plus 1 of 3 observers)	Second Comprehensive Review of the <i>IFRS for SMEs</i> Accounting Standard.	A summary of the meeting is circulated to the SMEIG after each meeting. Staff papers for IASB meetings are circulated to SMEIG members to inform about the tentative decisions made by the IASB based on the recommendations developed by the SMEIG.	✓

Consultative group	Meetings per mandate	Meetings in review period	Date of last meeting	Attendance at each meeting	Topics on which consulted	Feedback to Group	Continuing to serve function
Islamic Finance Consultative Group	Not specified - generally aiming to meet around twice a year	2	May 2023	November 2022: 12 of 16 members May 2023: 11 of 16 members	In November 2022, the group discussed: (a) updates from the Malaysian Accounting Standards Board on its standard-setting and research activities, including the evolution of Islamic Finance in Malaysia; (b) various IASB projects including <i>IFRS for SMEs</i> , Post-implementation Review of IFRS 9 and IFRS 15 and the Third Agenda Consultation; and (c) updates from IASB, IFRS Interpretations Committee and ISSB. In May 2023, the group discussed: (a) updates from IASB and ISSB; and (b) two application issues related to Islamic finance transactions (Mudarabah and Hyperinflation).	During the period, there have been no particular topics discussed that necessitated providing feedback to group members. Members can access publicly-available recordings of meetings from our website.	✓
IFRS Taxonomy Consultative Group	Frequency, format & timing of meetings driven by the number & timing of taxonomy releases and nature of topics	3	July 2023	December 2022: 13 of 17 members February 2023: 13 of 17 members July 2023: 14 of 18 members	Matters relating to the IFRS digital taxonomies (strategy, development and proposed updates), with a particular focus on changes to the IFRS Accounting Taxonomy arising from the Primary Financial Statements project; and the common practice review of financial instrument disclosures (IFRS 7).	A summary of the meeting is circulated to the ITCG (and posted to the website) after each meeting.	✓



Consultative group	Meetings per mandate	Meetings in review period	Date of last meeting	Attendance at each meeting	Topics on which consulted	Feedback to Group	Continuing to serve function
<b>Project Groups</b>							
Consultative Group for Rate Regulation	Not specified - meet as required	1	October 2022	4 October 2022: 15 of 18 members attended	Capitalised borrowing costs and inflation.	A summary of the meeting is circulated to the members of the Consultative Group (and posted to the website) after each meeting.	✓
Management Commentary Consultative Group	Not specified - meet as required	0	December 2019	n/a	n/a	n/a	✓ see paras 29-31

## Appendix B

Consultative group	Objective	Composition	Chair	Board member representation at meetings
<b>Standing Groups</b>				
Accounting Standards Advisory Forum	Advisory forum in which members can constructively contribute to the Board's technical projects	12 National Standard-setters and regional bodies	Andreas Barckow (Chair)	The Vice-Chair plus some Board members
Capital Markets Advisory Committee*	To provide the Board with regular input from the international community of users of financial statements	No more than 20 members (currently 20 members)	Co-chaired by Deirdre O'Leary and Anthony Scilipoti (independent)	Nick Anderson (main IASB member contact) plus some Board members
Global Preparers Forum*	To provide the Board with regular input from the international community of preparers of financial statements	Up to 20 members (currently 15 members)	Ian Bishop (independent)	Bertrand Perrin (main IASB member contact) plus some Board members
Emerging Economies Group	To enhance the participation of emerging economies in the development of IFRS Accounting Standards	12 permanent members (NSS) plus the chair	Tadeu Cendon (IASB member)	Bruce Mackenzie and Jianqiao Lu attended the meeting in December 2022. Bruce, Jianqiao and Linda Mezon-Hutter attended the May 2023 meeting.
SME Implementation Group	To support the international adoption of the <i>IFRS for SMEs</i> Standard and monitor its implementation	At least 12 members and not more than 30 members (as at September 2023 there are 29 members)	Jianqiao Lu (IASB member)	Other board members
Islamic Finance Consultative Group	To contribute to the development and consistent and rigorous application of IFRS Accounting Standards with a focus on Islamic Finance.	No size mandated - currently 15 members	Bruce Mackenzie (IASB member and Chair of the IFRS Interpretations Committee)	
IFRS Taxonomy Consultative Group	To advise the IASB and ISSB on their respective digital Taxonomies and related activities	Up to 20 members (currently 20 members plus 4 appointed observers)	Co-chaired by Ann Tarca (IASB member) and Bing Leng (ISSB member)	Other Board members attend

<b>Project Consultative Groups</b>				
Consultative Group for Rate Regulation	To help the Board in its project on rate-regulated activities by providing a variety of expert perspectives, including those of preparers, auditors, users of financial statements and regulators	16 members plus 2 observers	Board member chaired	Other Board members
Management Commentary Consultative Group	To provide the Board with access to practical experience and expertise in developing, implementing and using management commentary regimes, and to advise the Board as it develops proposals for updating the Practice Statement	16 members plus 4 observers	Nick Anderson (Chair)	Other Board members

\*While the Capital Markets Advisory Committee (CMAC) and Global Preparers Forum (GPF) function as standing consultative groups for the IASB, they are established as bodies independent from the IFRS Foundation. Consequently, members of CMAC and GPF are appointed by the CMAC members and the GPF Nominations Committee, in accordance with the CMAC Charter and GPF Constitution respectively. We support the GPF and CMAC in identifying candidates. The CMAC charter allows the IASB to propose or reject a new candidate.