

---

## IFRS Foundation Trustees—Due Process Oversight Committee

Date **3 March 2026**

This document reports on a meeting of the Trustees of the IFRS Foundation, the oversight body of the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB). The Trustees are responsible for governance of the IFRS Foundation (the Foundation) and for delivery of the Foundation's objectives as set out in the *Constitution*.

---

### Introduction

1.1 The IFRS Foundation Due Process Oversight Committee (DPOC) [met on 3 March 2026](#). The meeting was webcast live and a recording of the meeting is available on the [IFRS Foundation website](#).

## International Accounting Standards Board (IASB)-related matters

### Update report on IASB Technical Activities

- 2.1 The DPOC considered a report providing an update on the activities of the IASB and the IFRS Interpretations Committee for the period from October 2025 to February 2026. There were no matters in the report for which the DPOC was required to confirm that due process had been followed.
- 2.2 The IASB Senior Technical Director explained that since October 2025 the IASB had published four due process documents, three of which are listed in Appendix B to [agenda paper DP2](#). It was explained that the [Exposure Draft Amendments to the Fair Value Option \(IAS 28\)](#) was not listed in this Appendix as the document was published after the paper was published.
- 2.3 Due process decisions the IASB had taken since October 2025 include the decision, at its December 2025 meeting, to conduct the post-implementation review of the hedge accounting requirements in IFRS 9 *Financial Instruments*. At its January 2026 meeting the IASB decided to move its [Statement of Cash Flows and Related Matters](#) project to its standard-setting agenda.
- 2.4 In response to a DPOC member question, the IASB Senior Technical Director stated that the IASB staff has undertaken significant outreach on the [Risk Mitigation Accounting](#) project following publication of the Exposure Draft *Risk Mitigation Accounting—Proposed amendments to IFRS 9 and IFRS 7* with preparers, specifically banks, audit firms and insurance companies. Some banks had already begun fieldwork related to this project. The comment period for the Exposure Draft is due to end on 31 July 2026, and companies conducting field work have until November 2026 to submit their results. Specific outreach with the insurance industry was underway around how the proposals would work with IFRS 17 *Insurance Contracts*.

## International Sustainability Standards Board (ISSB)-related matters

### Update report on ISSB Technical Activities

- 3.1 The DPOC considered a report providing an update on the activities of the ISSB for the period from October 2025 to February 2026. There were no matters in the report for which the DPOC was required to confirm that due process had been followed.
- 3.2 The ISSB Executive Technical Director highlighted:
  - that the ISSB is supporting the implementation of IFRS S1 and IFRS S2 through:

- the continued development of educational material.
- facilitating the work of the Transition Implementation Group on IFRS S1 and IFRS S2 (TIG). The ISSB views the TIG as continuing to serve its purpose in discussing implementation questions submitted by stakeholders.
- completing its project [Amendments to Greenhouse Gas Emissions Disclosures—Amendments to IFRS S2](#). These amendments reduce the cost and complexity of the disclosures without reducing their usefulness, and were issued on a timely basis.
- significant progress has been made on both the [Nature-related Disclosures](#) and the [Human Capital](#) projects:
  - the project on Nature has been moved to the standard-setting phase and the ISSB is aiming to publish an Exposure Draft later this year; and
  - an organising framework has been established for the Human Capital project, which helps set a structured approach on what any standard-setting phase and subsequent phases may entail.
- the ISSB continues to work on its project to enhance the SASB Standards. The [Exposure Draft Proposed Amendments to the SASB Standards](#) received over 200 comment letters and survey responses. This feedback was supplemented by several hundred meetings with external stakeholders conducted by ISSB members and staff. At its February 2026 meeting, the ISSB ratified the next exposure draft for this project, which will include proposed enhancements for three additional industries.

3.3 In response to DPOC member questions the following responses were given:

- there was a variety of positions amongst ISSB stakeholders in relation to the status of the SASB Standards. This feedback presented an opportunity to continue to provide further clarification in terms of the SASB Standards' unique role in ISSB literature. Stakeholders are becoming accustomed to the SASB Standards, and part of this process is assisting them to understand which specific, or group of, SASB Standard(s) are applicable to them. Relatedly the ISSB, last year, published [educational material](#) on the role of industry-based guidance, specifically addressing the requirement in IFRS S1 that 'an entity shall refer to and consider the applicability of the disclosure topics in the SASB Standards'. Some stakeholders are interested in supplemental guidance to further understand this requirement and the ISSB is ready to support stakeholders in understanding the role and requirements related to the SASB Standards.
- the role of the TIG was adopted from the IASB who use Transition Resource Groups when significant changes in accounting requirements occur. The TIG is used to respond to questions stakeholders have regarding the application of IFRS S1 and IFRS S2. Its role is expanding as more jurisdictions begin applying ISSB Standards. It was important that the ISSB has a mechanism to answer implementation questions in the absence of an Interpretations Committee. When the ISSB was established in 2022 an Interpretation Committee was not created and it is a question for the IFRS Foundation Trustees if this situation were to change.

## Other DPOC matters

### Finalising the amendments to the Due Process Handbook

- 4.1 The Committee received a report which set out the staff's recommendations for clarifying and enhancing some of the proposals in the Exposure Draft [Proposed Amendments to the IFRS Foundation Due Process Handbook \(Handbook\)](#).
- 4.2 The Director of Governance and Trustee Activities reviewed the purpose for updating the Handbook, highlighting that the last update to the *Handbook* was in 2020 and the due process was considered to be

working well. The aim of the update was to formally reflect in the *Handbook* the due process requirements that the ISSB had been following since it was established. The DPOC had also taken the opportunity to make some targeted amendments to requirements in the *Handbook*, to such area as post-implementation reviews (PIRs), and the Interpretations Committee. The DPOC published the Exposure Draft in December 2024.

- 4.3 In response to the Exposure Draft the DPOC received 39 comment letters. A summary of the feedback was reported back to the DPOC at its meeting in June 2025, and the paper for that meeting is provided as an [addendum to agenda paper DP4 for this meeting](#). Based on the feedback, the staff recommended the DPOC confirm the proposals in the Exposure Draft with important clarifications to the following areas:
- 4.4 **Due process for the SASB Standards and SASB Standards Taxonomy**—this area received diverse views from stakeholders with some stakeholders suggesting that this due process should be the same as for ISSB Standards. The SASB Standards' due process is comprehensive, particularly as they are in effect illustrative materials, rather than requirements. The recommended clarifications help emphasise this aspect. For example, it is proposed that the current status of the SASB Standards is clarified and it is explicitly set out that the due process for ISSB Standards will be applied if the ISSB decides to change the status of the SASB Standards. Additionally, specific requirements about the size of the board adviser group are also proposed. The DPOC said that considering the SASB Standards are not mandatory, rather that entities consider their application, the proposed clarifications are proportionate to their status.
- 4.5 **Reflecting connectivity**—proposals to reflect the ISSB in the *Handbook* were generally well received by stakeholders. Some stakeholders wanted proposals in the Exposure Draft to go further. For example, there were a few specific suggestions on connectivity, and a few suggested that the *Handbook* clarify that each set of Standards are GAAP agnostic. Proposed clarifications for this section include that each board's Standards are complementary and can be applied alongside other materials. There is also a proposal around the process to enhance agenda setting through the consideration as to whether align timing of agenda consultations.
- 4.6 **PIRs**—the post implementation review is a process that a board undertakes after a Standard has been implemented for a certain period of time (typically four to five years). The clarifications proposed reflect the IASB's experience since the *Handbook* was last updated. Feedback on the Exposure Draft was concerned with the objective of a PIR and when it is expected to start. Some stakeholders thought starting a PIR after sufficient information became available created too much uncertainty about when a PIR would start. To address this a rebuttable backstop is now proposed. This backstop sets the expectation that a PIR would normally begin within five years of the effective date of a Standard while allowing a board to commence a PIR earlier if sufficient information is available. In clarifying the objective, the proposal is to state how well the Standard is working against its stated objective. Additional wording is proposed to clarify that other mechanisms exist to answer application questions. In response to DPOC questions the Director of Governance and Trustee Activities highlighted the following:
- the aim of the rebuttable backstop was to ensure that if a board intended to start a PIR after five years, it would need to engage with the DPOC about the deferral. Five years should typically allow a board sufficient time to make a holistic assessment of how well a Standard is working in practice. The IASB Chair added that the costs and benefits of a Standard were known asynchronously: preparers were likely to highlight costs before users saw a benefits. And for users these benefits could only be assessed after more than two consecutive periods. Nevertheless, there can be a benefit to starting a PIR sooner, and the proposed wording allows for this by stating that a PIR 'normally begins *within* five years of the effective date'. The DPOC agreed with the proposed wording for paragraph 6.55 of the Due Process Handbook with the Chair clarifying that wording allowed for a board to exercise its discretion in starting a PIR.
  - the revised *Handbook* will clarify the boards' existing practice of addressing application questions on a new Standard as they arise rather than waiting for a PIR. This is exemplified by the recent example of the amendments to IFRS S2. These amendments arose as a result of discussions that were had by the TIG.
  - every new Standard or major amendment to a Standard requires a PIR. However, a PIR can be appropriately scaled based on initial research.

- 4.7 **Interpretations Committee**—there were significant changes in this area in the 2020 update to the *Handbook*, and there were no fundamental changes proposed in the Exposure Draft. The clarifications proposed were generally supported by stakeholders. A frequent suggestion in the feedback was to clarify the process for maintaining agenda decisions when new requirements are issued and proposed wording codifies this process. Stakeholders also suggested further clarifying the term ‘widespread effect’ in the criteria for identifying matters for standard-setting. Additional wording has been proposed to clarify that the Interpretations Committee focuses on both expected prevalence and expected diversity in application.
- 4.8 **Areas where no substantive change is recommended**—the proposal in the Exposure Draft specified that the formal remit of the Interpretations Committee relates to the Accounting Standards. Stakeholders commented that there was no equivalent body for the ISSB. It is outside the scope of the project to determine whether to create a body to support the ISSB in addressing application questions. It would be a matter for Trustees to decide requiring a separate consultation.

### **Resolution**

- 4.9 The DPOC considered and approved the recommendations for clarifying and enhancing the proposals in the *Exposure Draft Proposed Amendments to the IFRS Foundation Due Process Handbook*.
- 4.10 The DPOC agreed to approve the revised *Due Process Handbook* by written resolution.
- 4.11 The revised *Handbook* is expected to be published in April 2026.

## **Closing**

- 5.1 The DPOC Chair thanked all for their participation.