

---

## IFRS Foundation Trustees meeting – Due Process Oversight Committee

Date **February 2024**  
Topic **IASB Technical Activities: Key Issues and Update**  
Contacts **Nili Shah** ([nshah@ifrs.org](mailto:nshah@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*.

---

### 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 (IASB) and the IFRS Interpretations Committee (Interpretations Committee) for the period October 2023 to January 2024.
2. The report sets out how the IASB 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 IASB and the Interpretations Committee, as set out in paragraphs 2.1–2.15 of the *Due Process Handbook*. Paragraph 2.8(a) of the *Due Process Handbook* explains:

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

3. In this paper, 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 information only.**
4. The report is structured as follows:
  - (a) due process matters in the period for noting (paragraphs 6-8); and
  - (b) other matters occurring during the period for the attention of the DPOC (paragraphs 9-43).
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.

### Due process matters in the period for noting

#### Due process documents published

6. The due process documents published in the period are listed in [Appendix B](#). The staff confirm that the required due process steps have been completed for each of the documents listed. When the IASB 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 IASB paper in advance of the IASB's discussion.

## Due process decisions

7. The IASB is redeliberating the proposals in the Exposure Draft *Third edition of the IFRS for SMEs Accounting Standard*, published in September 2022 (September 2022 Exposure Draft). In October 2023, the IASB tentatively decided to extend the scope of the Second Comprehensive Review of the *IFRS for SMEs Accounting Standard* to include two recent amendments to full IFRS Accounting Standards for supplier finance arrangements and lack of exchangeability. The IASB did not consult on these amendments when it published the September 2022 Exposure Draft. The proposed amendments will be exposed in the Addendum to the September 2022 Exposure Draft (Addendum Exposure Draft). At its December 2023 meeting, the IASB decided to set a comment period of 120 days for the Addendum Exposure Draft. The IASB also confirmed it was satisfied that it had complied with the applicable due process requirements and had undertaken sufficient consultation and analysis to begin the process for balloting the Addendum Exposure Draft.

## Agenda paper compliance report<sup>1</sup>

8. In the period October 2023 to January 2024, all agenda papers discussed by the IASB and the Interpretations Committee were made available on the public website unaltered. During the period one paper was posted after the posting deadline for the January 2024 meeting: AP3 - Education session—potential amendments to IFRS 9. This was an educational paper on the Power Purchase Agreements project for which the staff required more time to finalise following the discussions at the December IASB meeting and ongoing stakeholder outreach.

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

### Research and standard-setting updates

#### *Upcoming due process documents*

9. The IASB is working towards publication of three major due process documents.
  - (a) In March 2024, the IASB will publish its Exposure Draft *Business Combinations—Disclosures, Goodwill and Impairment*, with a 120-day comment period. The Exposure Draft sets out a package of proposals that in the IASB's view would result in entities providing better information—at a reasonable cost—about acquisitions. Users of financial statements say they need better information to enable them to assess the price paid for an acquisition and whether the acquisition was successful. Users view acquisitions as a particularly large and risky form of capital deployment. The IASB has sought to balance user information needs with practical concerns raised by some stakeholders about possible disclosure of information that could be, for example, commercially sensitive. Feedback on the Exposure Draft will help the IASB assess whether it has struck the appropriate balance. The IASB also expects these proposals, alongside

---

<sup>1</sup> Paragraph 3.12 of the *Due Process Handbook* states '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.'

its proposals to improve the impairment test, to address concerns about impairment losses on goodwill being recognised too late.

- (b) In April 2024, the IASB will issue IFRS 18 *Presentation and Disclosure in Financial Statements*. This Standard is the result of the IASB's Primary Financial Statements project. The new Standard will set out the overall requirements for presentation and disclosures in the financial statements and introduce new requirements to improve the transparency, comparability and usefulness of information. It will affect all companies and all investors. It will have an effective date of 1 January 2027, with early application permitted. The DPOC reviewed the life cycle of this project at its October 2023 meeting.

The IASB has already begun efforts to support implementation of IFRS 18 and will continue to do so after issuance of the new Standard, through multiple channels including webcasts, conferences and educational materials.

- (c) In May 2024, the IASB will issue IFRS 19 *Subsidiaries without Public Accountability: Disclosures*. The objective of the project is to permit eligible subsidiaries (eg unlisted subsidiaries with no public accountability) to apply the requirements in other IFRS Accounting Standards with a reduced version of their disclosure requirements. The Standard has an effective date of 1 January 2027 and early application is permitted. See agenda paper 1C to this DPOC meeting for a life cycle review of this project.

Relatedly, in Q3 2024, the IASB will publish a 'catch-up' exposure draft to propose amendments to IFRS 19. This exposure draft will consult stakeholders on reducing disclosure requirements arising from IFRS Accounting Standards that have been issued or amended since the 28 February 2021, the cutoff date for disclosure requirements in IFRS Accounting Standards that were considered for the Exposure Draft relating to IFRS 19 in July 2021. Thereafter, proposed changes to disclosure requirements in IFRS Accounting Standards will concurrently propose reduced disclosures for subsidiaries without public accountability.

### ***Financial Instruments with Characteristics of Equity***

10. In November 2023, the IASB published the Exposure Draft *Financial Instruments with Characteristics of Equity*. The IASB has proposed amendments to address the existing challenges in companies' financial reporting on financial instruments with characteristics of equity. The proposals in the Exposure Draft would amend IAS 32 *Financial Instruments: Presentation*, IFRS 7 *Financial Instruments: Disclosures*, and IAS 1 *Presentation of Financial Statements*.
11. The proposals include:
- (a) clarification of the underlying classification principles of IAS 32 to help companies distinguish between financial liabilities and equity;
  - (b) disclosures to further explain complexities around instruments that have both financial liability and equity characteristics; and
  - (c) presentation requirements for amounts—including profit and total comprehensive income—attributable to ordinary shareholders separately from amounts attributable to other holders of equity instruments.
12. The Exposure Draft is open for comment until 20 March 2024.

### ***Second Comprehensive Review of the IFRS for SMEs Accounting Standard***

13. In September 2022, the IASB published the Exposure Draft *Third edition of the IFRS for SMEs Accounting Standard* (September 2022 Exposure Draft), with a comment period that ended in March

2023. The *IFRS for SMEs* Accounting Standard is reviewed and updated periodically to reflect improvements that have been made in full IFRS Accounting Standards since the last review, while tailoring for the information needs of users of SMEs' financial statements.<sup>2</sup>

14. The IASB is nearing completion of its technical redeliberations of feedback on the September 2022 Exposure Draft and expects to issue the third edition of the *IFRS for SMEs* Accounting Standard by the end of 2024.
15. Relatedly, as noted in paragraph 7, the IASB is progressing towards publication of the Addendum Exposure Draft, which is expected to be published in April 2024. The IASB plans to include any resulting amendments in the third edition of the *IFRS for SMEs* Accounting Standard, which is expected to be issued later in 2024.

### **Management Commentary**

16. The IASB published its Exposure Draft *Management Commentary* in May 2021. In response to the exposure draft and in anticipation of the likely creation of the ISSB, many stakeholders called for the IASB to advance the project in collaboration with the ISSB.
17. Since that time, the landscape surrounding the project has continued to evolve, notably with:
  - (a) the merger of the Value Reporting Foundation into the IFRS Foundation and the Integrated Reporting Framework becoming part of the materials of the IFRS Foundation.
  - (b) the ISSB's Standards published at the end of June 2023. Those Standards set out requirements for connections between the sustainability reporting and the financial statements.
  - (c) the publication of the ISSB's Consultation on its Agenda Priorities for its next two-year workplan (Agenda Consultation). Among other questions, the ISSB's Agenda Consultation sought feedback about the priority of a project on integration in reporting, and whether that project should be undertaken in collaboration with the IASB and whether it should build on the Exposure Draft *Management Commentary*, the Integrated Reporting Framework and other sources.
18. The IASB has effectively put its decision-making on the Management Commentary project on hold until additional feedback from the ISSB's Agenda Consultation is received. The comment period on the ISSB's Agenda Consultation closed in September 2023. In January 2024, the IASB and ISSB met to discuss the feedback on a potential project on integration in reporting.
19. Feedback indicates that stakeholders have different understandings of what 'integration in reporting' means and diverse views on what such a project should encompass. Accordingly, respondents' views on the relative priority of an integration in reporting project should be considered in the context of the breadth of views respondents held about what such a project would entail. Approximately a quarter of the respondents ranked a project on integration in reporting as a higher priority than the other projects being considered by the ISSB, another quarter indicated that the project is important but did not rank it as a higher or lower priority compared to the other projects, whereas the remainder either ranked it as

---

<sup>2</sup> The term 'SMEs' refers to entities that are eligible to apply the *IFRS for SMEs* Accounting Standard (that is, SMEs are entities that do not have public accountability and publish general purpose financial statements for external users).

a lower priority or did not comment on that project but asked the ISSB to focus on other projects and activities.

20. As next steps:
- (a) the ISSB will decide on the priorities for its next two-year workplan, including the priority of a potential project on integration in reporting.
  - (b) the IASB will decide on the direction of the Management Commentary project in Q2 2024. The IASB will consider, among other factors, the ISSB's decisions on its agenda priorities.

### ***Business Combinations under Common Control***

21. The IASB has had a research project on its work plan on the accounting for Business Combinations under Common Control. This project sought to reduce diversity in the reporting of business combinations under common control (BCUCC). The IASB published a discussion paper in November 2020.
22. Based on feedback, additional outreach, research and deliberations, including extensive discussions with regulators, in November 2023, the IASB decided to discontinue this project, after considering possible paths focusing on recognition and measurement or a disclosure-only approach.
23. The IASB acknowledged that diversity in reporting BCUCCs could continue. However, feedback from users of financial statements suggested that users could work with diversity in reporting BCUCCs; and users' information needs differed across jurisdictions, making it difficult to develop requirements that would meet user information needs globally. Overall, the IASB's research findings suggested that any improvements to financial reporting that might result from developing requirements for reporting BCUCCs were likely to be outweighed by the costs of developing and implementing any such changes.
24. The staff are preparing a project summary which is expected to be published in April 2024.

### ***Post-implementation reviews***

25. The IASB has two post-implementation reviews (PIRs) underway: one on the impairment requirements in IFRS 9 *Financial Instruments* and one on IFRS 15 *Revenue from Contracts with Customers*.

#### **PIR of impairment requirements in IFRS 9**

26. In November 2023, the IASB met to discuss high-level feedback to the Request for Information *Post-Implementation Review of IFRS 9 Financial Instruments—Impairment*. The high-level feedback indicated that the impairment requirements are working as intended and result in the timely recognition of credit losses and useful information about the effect of credit risk of future cash flows. Stakeholders also stated that the requirements worked well during the covid-19 pandemic and other recent economic uncertainties. Some stakeholders identified potential areas for improvement, including requests for more application guidance or illustrative examples to support consistent application.
27. At future meetings the IASB will discuss detailed feedback on the Request for Information and decide what action, if any, should be prioritised based on the findings of the PIR. The IASB expects to

complete these discussions by the second quarter of 2024. At the end of this post-implementation review, the IASB will publish a feedback statement.

28. During the period, the IASB also decided to start its PIR on IFRS 16 *Leases* in Q2 2024.

#### **PIR of IFRS 15**

29. In January 2024, the IASB met to discuss a high-level summary of the feedback on the *Request for Information Post-implementation Review of IFRS 15 Revenue from Contracts with Customers*. Similar to IFRS 9, stakeholders indicated that IFRS 15 is working as intended. Commonly raised topics that will be discussed at future meetings include the identification of performance obligations, principal versus agent considerations and licensing.
30. At future meetings the IASB will discuss detailed feedback on the Request for Information and decide what action, if any, should be prioritised based on the findings of the PIR. Because IFRS 15 was developed as a converged standard with the US Financial Accounting Standards Board (FASB), in June 2024, the IASB and the FASB will meet to share their findings and tentative decisions related to each board's post-implementation review. This discussion will enable each board to consider the implications on the converged requirements if either board seeks to undertake standard-setting. The IASB expects to finalise its decisions in July 2024 and publish a feedback statement later in the third quarter.

## **Supporting consistent application**

### ***Maintenance projects (narrow-scope amendments)***

#### ***Climate-related risks in the financial statements***

31. IFRS Accounting Standards already require climate-related matters to be reflected in the financial statements when material. However, some users of financial statements continue to express concerns about the information they receive about climate-related matters. The IASB, therefore, decided to add a narrow-scope project to its work plan as part of its Third Agenda Consultation.
32. In March 2023, the IASB started work on this project to determine whether and, if so, what further actions might be needed to improve the accounting for climate-related risks in the financial statements. The project team includes a member of the ISSB Technical Staff, with support from an ISSB member, to provide expertise on climate-related matters and connectivity with the ISSB's work.
33. In September 2023, the IASB discussed the staff's research and outreach to identify the nature of concerns related to the reporting of climate-related risks in the financial statements, the possible causes of concerns and possible courses of action to help address the concerns.
34. Based on its discussion, the IASB's decisions in September included – not only for climate-related but all uncertainties:
- (a) exploring the development of a package of practical examples to operationalise the principles and requirements in IFRS Accounting Standards.
  - (b) exploring possible targeted amendments to the Standards to improve disclosures about estimates in the financial statements. The development of estimates requires significant judgment so the board will need to assess whether standard-setting can help in this area and whether the benefits of standard-setting outweigh the risks of unintended consequences.
  - (c) publication of articles and speeches to manage stakeholder expectations about the role of financial statements and the importance of complementary information in sustainability-related financial disclosures, such as those made applying IFRS Sustainability Disclosure Standards.

35. During the period, the IASB continued work to progress the decisions from its September 2023 meeting. In March 2024, the IASB will discuss the work conducted and possible next steps.
36. The IASB is also monitoring the progress of a submission to the Interpretations Committee on whether a liability should be recognised in the financial statements for commitments to reduce carbon emissions. The Interpretations Committee issued a tentative agenda decision in December 2023, with a comment period that ended in February 2024. Feedback will be discussed at the Interpretations Committee's March 2024 meeting.

### **Power purchase agreements**

37. Entities are increasingly entering into power purchase agreements (PPAs) for the procurement of renewable energy. PPAs are part of entities' commitment to mitigate the effects of climate change and to decarbonise their production processes and products. They are long-term contracts, typically spanning five to 30 years and shift the risk of consumption of the electricity from the producer to the consumer.
38. In July 2023, at the recommendation of the IFRS Interpretations Committee, the IASB added an urgent project to its work plan to address the accounting for physical PPAs. Physical PPAs that do not meet the 'own-use' exception in IFRS 9 *Financial Instruments* are accounted for as derivatives, rather than as executory contracts whose costs are recognised when the contract is executed (ie, goods/services are provided). Some stakeholders have questioned the usefulness of this accounting.
39. At that meeting, the IASB also decided to include virtual PPAs (contracts for differences between the fixed price in the agreement and the spot price) in the scope of its work. Virtual PPAs and physical PPAs are entered into for the same purposes and economically provide the same outcomes, but their use depends on the market structure in a particular jurisdiction. Virtual PPAs are derivatives and questions arise about the application of hedge accounting requirements.
40. During the period, the IASB discussed research and outreach and decided to proceed to an exposure draft. The IASB has had initial discussions about potential amendments and will decide in March 2024 on proposed amendments to expose for comment. The IASB expects to publish an exposure draft in May 2024. Given the urgency of this project, the IASB may seek a shortened comment period on the exposure draft, subject to DPOC approval at a future meeting.

### **Interpretations Committee**

41. The Interpretations Committee met in November 2023. At that meeting, the Interpretations Committee:
  - (a) published two tentative agenda decisions and voted to finalise one agenda decision (see table in Appendix B).
  - (b) provided input on the IASB's projects on Climate-related and Other Uncertainties in the Financial Statements, Provisions—Targeted Improvements and Power Purchase Agreements.
42. During the period, the Interpretations Committee published four agenda decisions, which the IASB confirmed that it did not object to, in accordance with paragraph 8.7 of the *Due Process Handbook*. One of the agenda decisions includes material explaining how the applicable principles and requirements in IFRS Accounting Standards apply to the transaction or fact pattern described in the agenda decision. The remaining three agenda decisions were published without such explanatory material as the Interpretations Committee concluded that the matters described in the submissions were not widespread and/or did not have a material effect on those affected.
43. At 31 January 2024, there was one submission recently received that the Interpretations Committee has not yet considered.

## 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; IFCG=Islamic Finance Consultative Group; IRCC=Integrated Reporting and Connectivity Council]

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions <sup>3</sup>
<b>Research projects</b>							
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	Project Summary	Apr 2024	N/A (new milestone)	<ul style="list-style-type: none"> <li>IASB decided to stop work on project in November 2023.</li> <li>Staff are preparing the Project Summary.</li> </ul>	DP published Nov 2020 (comment period ended Sep 2021).	ASAF: Jul 2023 CMAC: Jun 2023 EEG: Oct 2023 GPF: Jun 2023
Extractive Activities	To explore: <ol style="list-style-type: none"> <li>developing requirements or guidance to improve the disclosure objectives and requirements about an entity's exploration and evaluation expenditure and activities to provide more useful information to primary users of financial statements</li> <li>removing the temporary status of IFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i></li> </ol>	N/A	N/A	✓	<ul style="list-style-type: none"> <li>IASB decided to stop work on part (a) of the project in September 2023.</li> <li>Part (b) of the project has been added to the IASB's pipeline to address in its next volume of <i>Annual Improvements to IFRS Accounting Standards</i>.</li> <li>In December 2023 the Project Summary was published. This project will now be removed from future reports.</li> </ul>	N/A	ASAF: Mar 2021 CMAC: Mar 2019 EEG: Dec 2019

<sup>3</sup> Most recent discussion with each group highlighted



Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions <sup>3</sup>
PIR of IFRS 15 Revenue from Contracts with Customers	To assess the effects of the new requirements on entities, users, auditors and regulators	Feedback Statement	H2 2024	N/A (new milestone)	<ul style="list-style-type: none"> <li>The comment period for the RFI <i>Post-implementation Review of IFRS 15 Revenue from Contracts with Customers</i> ended on 27 October 2023.</li> <li>The IASB is currently discussing feedback on the RFI.</li> </ul>	RFI published Jun 2023	ASAF: Dec 2022 EEG: Dec 2022 IC: Nov 2022 GPF: Nov 2023 IFCG: Nov 2022 CMAC: Oct 2023
PIR of IFRS 9 – Impairment	To assess the effects of the new requirements on entities, users, auditors and regulators	Feedback Statement	Q3 2024	N/A (new milestone)	<ul style="list-style-type: none"> <li>The comment period for the RFI <i>Post-implementation Review of IFRS 9— Impairment</i> ended on 27 September 2023.</li> <li>The IASB is currently discussing feedback on the RFI.</li> </ul>	RFI published May 2023	ASAF: Sep 2022 CMAC: Oct 2022 GPF: Nov 2022 IFCG: Nov 2022
<b>Standard-setting projects</b>							
Business Combinations— Disclosures, Goodwill and Impairment	To explore whether entities can, at a reasonable cost, provide users with more useful information about the acquisitions those entities make. The IASB is considering ways to meet the objective though improving the disclosure requirements about business combinations and the subsequent accounting for goodwill	Exposure Draft	Mar 2024	✓	<ul style="list-style-type: none"> <li>Exposure Draft is in the balloting process.</li> </ul>	DP published Mar 2020 (extended comment period ended Dec 2020)	ASAF: Jul 2023 CMAC: Mar 2023 EEG: Dec 2020 GPF: Mar 2023

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions <sup>3</sup>
Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures	To develop a reduced-disclosure IFRS Accounting Standard that would apply on a voluntary basis to subsidiaries that do not have public accountability	IFRS Accounting Standard	May 2024	✓	<ul style="list-style-type: none"> <li>Final Standard is in the balloting process.</li> </ul>	ED published July 2021	ASAF: Mar 2023 GPF: Mar 2023 EEG: Oct 2023 SMEIG: Sep 2021
Dynamic Risk Management	To develop an accounting model to better reflect how an entity'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.	Exposure Draft	H1 2025	✓	<ul style="list-style-type: none"> <li>IASB continued deliberations during the period.</li> <li>IASB is performing further outreach.</li> </ul>	DP published in 2014	ASAF: July 2022
Equity method	To develop answers to application questions about the equity method, as set out in IAS 28 <i>Investments in Associates and Joint Ventures</i> , using the principles derived from IAS 28 where possible.	Exposure Draft	H2 2024	✓	<ul style="list-style-type: none"> <li>Project moved from research to standard-setting work plan in April 2023.</li> <li>IASB continued deliberations during the period.</li> </ul>	n/a	ASAF: Sep 2023 GPF: Nov 2023 EEG: Oct 2023 CMAC: Oct 2023
Financial Instruments with Characteristics of Equity	To improve the information that entities provide in their financial statements about the financial instruments they have issued and address challenges with applying IAS 32 <i>Financial Instruments: Presentation</i>	Exposure Draft Feedback	Q2 2024	N/A (new milestone)	<ul style="list-style-type: none"> <li>IASB began outreach on the Exposure Draft during the period.</li> </ul>	ED published Nov 2023	ASAF: Jul 2022 ASAF: Dec 2020 ASAF: Oct 2019 CMAC: Mar 2020 CMAC: Mar 2019 GPF: Nov 2018 EEG: Oct 2018 IFCG: May 2022

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions <sup>3</sup>
Management Commentary	To revise and update Practice Statement 1 <i>Management Commentary</i> issued in 2010	Decide Project Direction	Q2 2024	✓	<ul style="list-style-type: none"> <li>• Comment period on ED ended 23 November 2021</li> <li>• IASB discussed the staff's analysis of similarities and differences between the Management Commentary ED and the Integrated Reporting Framework in May 2023.</li> <li>• IASB met with ISSB in Jan 2024 to discuss feedback on ISSB's consultation on agenda priorities.</li> </ul>	ED published May 2021	<p>Management Commentary Consultative Group: Jul 2021 (private education session)</p> <p>IFRS Taxonomy Consultative Group: Nov 2021</p> <p>ASAF: Oct 2021 CMAC: Jun 2021 EEG: July 2021 GPF: Jun 2021 Advisory Council: Apr 2023 IRCC: Apr 2023</p>
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')	IFRS Accounting Standard	Apr 2024	✓	<ul style="list-style-type: none"> <li>• Balloting process underway.</li> </ul>	ED published Dec 2019	<p>ASAF: Dec 2023 CMAC: Jun 2023 GPF: Jun 2023 ITCG: Oct 2023 EEG: Oct 2023</p>

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions <sup>3</sup>
Rate-regulated Activities	To develop a new accounting model to give users of financial statements better information about an entity's incremental rights and obligations arising from its rate-regulated activities	IFRS Accounting Standard	2025	✓	• IASB continued deliberations during the period.	ED published Jan 2021	Consultative Group for Rate Regulation: Nov 2023  ASAF: Sep 2023 CMAC: Mar 2021 GPF: Mar 2021 EEG: May 2021
Second Comprehensive Review of the <i>IFRS for SMEs</i> Accounting Standard	To undertake the second periodic comprehensive review of the <i>IFRS for SMEs</i> Accounting Standard	<i>IFRS for SMEs</i> Accounting Standard	H2 2024	✓	• IASB continued deliberations during the period.	ED published Sep 2022	ASAF: Jul 2022 EEG: Dec 2022 SMEIG: Dec 2023 IFCG: Nov 2022

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document
<b>Maintenance projects</b>						
Addendum to the Exposure Draft Third edition of the IFRS for SMEs Accounting Standard	To align the third edition of the <i>IFRS for SMEs</i> Accounting Standard with the requirements in full IFRS Accounting Standards for: <ol style="list-style-type: none"> <li><i>Supplier Finance Arrangements.</i></li> <li><i>Lack of Exchangeability.</i></li> </ol>	Exposure Draft	Apr 2024	N/A (new milestone)	• The Exposure Draft is currently in the balloting process and is expected to be published in April 2024.	n/a

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document
Amendments to the Classification and Measurement of Financial Instruments	To make narrow scope amendments to IFRS 9 <i>Financial Instruments</i> to clarify the particular requirements for assessing a financial asset's contractual cash flow characteristics, including for financial assets with ESG-linked features; to address the accounting for electronic transfers of cash; and to require disclosures for investments in equity instruments to which the OCI presentation option is applied.	Final Amendment	Q2 2024	✓	<ul style="list-style-type: none"> <li>• IASB published the Exposure Draft in March 2023. The comment period closed in July 2023,</li> <li>• The IASB continued to discuss feedback in November 2023.</li> </ul>	ED published Mar 2023
Annual Improvements	To address a variety of minor amendments.	Exposure Draft Feedback	Feb 2024	✓	<ul style="list-style-type: none"> <li>• Exposure Draft published in September 2023, with a comment period of 90 days.</li> </ul>	Exposure Draft published in September 2023
Climate-related and Other Uncertainties in the financial statements	To explore whether and how financial statements can better communicate information about climate-related and other uncertainties.	Decide project direction	Apr 2024	Decision-making meeting deferred from Mar 2024 to allow for additional outreach and educational session to share feedback with IASB	<ul style="list-style-type: none"> <li>• In Mar 2023 the IASB added this project to its work plan.</li> <li>• In Sep 2023, IASB decided to explore development of examples and targeted standard-setting.</li> </ul>	n/a

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document
Power Purchase Agreements	To research whether narrow-scope amendments to IFRS 9 could be made for power purchase agreements	Exposure Draft	May 2024	N/A (new milestone)	<ul style="list-style-type: none"> <li>The IASB added this project to its work plan based on a recommendation from the Interpretations Committee in response to a submission about the application of the 'own-use' exception in IFRS 9.</li> <li>The IASB continued deliberations during the period.</li> </ul>	n/a
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	Exposure Draft	H2 2024	N/A (new milestone)	<ul style="list-style-type: none"> <li>IASB continued deliberations and outreach during the period.</li> </ul>	n/a
Updating the Subsidiaries without Public Accountability: Disclosures Standard	To update IFRS 19 for IFRS Accounting Standards that have been issued or amended since the IASB published the Exposure Draft relating to IFRS 19 in July 2021	Exposure Draft	Q3	N/A (new milestone)	<ul style="list-style-type: none"> <li>IASB deliberated proposals during the period.</li> </ul>	n/a

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document
Use of a Hyperinflationary Presentation Currency by a Non-hyperinflationary Entity (IAS 21)	To make targeted amendments about the use of a hyperinflationary presentation currency by an entity whose functional currency is not hyperinflationary.	Exposure Draft	Q3 2024	N/A (new milestone)	<ul style="list-style-type: none"> <li>• IASB deliberated proposals during the period.</li> </ul>	n/a

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document
<b>IFRS Accounting Taxonomy projects</b>						
IFRS Accounting Taxonomy Update—Amendments to IAS 12, IAS 21, IAS 7 and IFRS 7	To reflect amendments to the following IFRS Accounting Standards: <ul style="list-style-type: none"> <li>International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12)</li> <li>Lack of Exchangeability (Amendments to IAS 21)</li> <li>Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)</li> </ul>	IFRS Taxonomy Update	Mar 2024	N/A (new milestone)	Staff are currently drafting this TU	N/A
IFRS Accounting Taxonomy Update – Common Practice (Financial Instruments and General Improvements)	To reflect improvements to the IFRS Accounting Taxonomy for extensions created by companies, including those relating to the presentation of financial instruments.	IFRS Taxonomy Update	Mar 2024	N/A (new milestone)		
IFRS Accounting Taxonomy Update – Primary Financial Statements	To consider changes to the IFRS Accounting Taxonomy resulting from the Primary Financial Statements project, which is proposing requirements for presentation and disclosure in financial statements, with a focus on the statement of profit or loss.	Proposed IFRS Taxonomy Update	Q2 2024	✓	Staff are currently developing this PTU	N/A
IFRS Accounting Taxonomy Update—Subsidiaries without Public Accountability: Disclosures and Amendments to IFRS 7 and IFRS 9	To consider changes to the IFRS Accounting Taxonomy resulting from: <ul style="list-style-type: none"> <li>IFRS 19 Subsidiaries without Public Accountability: Disclosures, expected to be issued in Q2 2024; and</li> <li>Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), expected to be issued in Q2 2024.</li> </ul>	Proposed Taxonomy Update	H2 2024	N/A (new milestone)	Staff are currently developing this PTU	



## 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 IASB <sup>4</sup>	All applicable due process steps completed
Financial Instruments with Characteristics of Equity Proposed amendments to IAS 32, IFRS 7 and IAS 1	Exposure Draft	November 2023	May 2023	✓

### IFRS Accounting Taxonomy due process documents

Due process document	Due process stage	Date published	All applicable due process steps completed
IFRS Accounting Taxonomy 2023—Proposed Update 1 <i>International Tax Reform—Pillar Two Model Rules, Supplier Finance Arrangements and Lack of Exchangeability.</i>	Proposed Taxonomy Update	October 2023	✓
IFRS Accounting Taxonomy 2023—Proposed Update 2 <i>Common Practice for Financial Instruments, General Improvements and Technology Update.</i>	Proposed Taxonomy Update	November 2023	✓

<sup>4</sup> Paragraph 4.16, 6.6 and 6.22–6.24 of the *Due Process Handbook* set out the due process requirements for the IASB 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 IASB and asks the IASB 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.

**Submissions discussed by the IFRS Interpretations Committee progressing towards an agenda decision**

Topic	Current due process stage	Date published	Approved by Interpretations Committee	IASB not object <sup>5</sup>	All applicable due process steps completed	Next step	Remarks
Guarantee over a Derivative Contract (IFRS 9)	Agenda decision	30 October 2023	12 September 2023	26 October 2023	✓	N/A	N/A
Premiums Receivable from an Intermediary (IFRS 17 and IFRS 9)	Agenda decision	30 October 2023	12 September 2023	26 October 2023	✓	N/A	N/A
Homes and Home Loans Provided to Employees	Agenda decision	30 October 2023	12 September 2023	26 October 2023	✓	N/A	N/A
Merger between a Parent and Its Subsidiary in Separate Financial Statements (IAS 27)	Agenda decision	30 January 2024	28 November 2023	23 January 2024	✓	N/A	N/A
Payments Contingent on Continued Employment during Handover Periods (IFRS 3)	Tentative agenda decision	20 September 2023	12 September 2023	N/A	✓	Tentative agenda decision feedback	The Interpretations Committee will consider feedback on the tentative agenda decision at a future meeting.
Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8)	Tentative agenda decision	7 December 2023	28 November 2023	N/A	✓	Tentative agenda decision feedback	The Interpretations Committee will consider feedback on the tentative agenda decision at a future meeting.
Climate-related Commitments (IAS 37)	Tentative agenda decision	7 December 2023	28 November 2023	N/A	✓	Tentative agenda decision feedback	The Interpretations Committee will consider feedback on the tentative agenda decision at a future meeting.

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