
IFRS Foundation Trustees meeting – Due Process Oversight Committee

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

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 2023 to September 2024.
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 the [Appendix](#) provides an overview of the groups. The table below paragraph 27 provides an overview of their activities during the period, including the number of meetings held, the attendance at the meetings and the nature of the topics discussed.

10. This review also considers survey data from:

- (a) consultative group members¹ (external surveys) for the seven standing groups. 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 meetings of five² of the standing groups. 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. The survey data for the groups indicated that all of the groups reviewed averaged at least a “very good” rating (ie. approximately 4 or better).

Staff conclusion

12. Based on the information in the table below paragraph 27 and a review of the internal and external surveys with IASB members responsible for each group and discussions with them about the level of engagement at the meetings in the period, 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 2024, we continued the practice of offering consultative group meetings in a hybrid meeting format while strongly encouraging in person attendance.

- (a) For recurring meetings, 75% of the meetings were held on a hybrid-basis and 25% 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 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 because it can help in having members attend meetings when it would not be possible to do so 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.

Capital Markets Advisory Committee

15. The CMAC appointed three new members in 2024; its membership stands at 20 members. The Committee's new members are co-opted by current members of CMAC, following a public call for

¹ The term 'member' refers to members and, as applicable, observers.

² Internal surveys are not conducted for IFCG and SMEIG, which are more targeted groups. Feedback from the board advisor and staff attending meetings was very positive on the usefulness and engagement with the groups.

nominations by the membership. The Stakeholder Engagement team and IASB members supported the committee's efforts to recruit candidates from a variety of professional backgrounds (ie buy-side, sell-side, rating agency and industry specialisation) and geographic locations 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.

Global Preparers' Forum

16. The GPF added one member in 2024, taking its membership to a total of 20 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 supported the committee's efforts to recruit candidates from a variety of industries in relation to the IASB's work plan. This aimed to ensure the relevance of the group's contributions to the IASB could be maximised (eg commencement of Intangible Assets project). This was integrated into the effort to draw the group's membership from a variety of geographical backgrounds.

SME Implementation Group

17. The Group met virtually in December 2023 and September 2024 to provide views on topics in the second comprehensive review of the *IFRS for SMEs Accounting Standard*. At these meetings, the Group also discussed the feedback on the Addendum to the Exposure Draft *Third edition of the IFRS for SMEs Accounting Standard* and provided feedback on the Exposure Draft *Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures*. The recommendations of SMEIG members are discussed with the IASB at subsequent meetings. The Group is currently performing an external review of the draft third edition of the *IFRS for SMEs Accounting Standard*.

18. The Group currently has 29 members and three observers.

Islamic Finance Consultative Group

19. The Islamic Finance Consultative Group met:

- (a) virtually in November 2023.
- (b) hybrid—virtually and Manama, Bahrain, in May 2024.

20. A virtual meeting is planned for December 2024.

21. The Group currently has 15 members. During the period:

- (a) the IASB appointed one new member to the Group from the Middle East region to further diversify its geographic and professional spread.
- (b) a member, designated by an organisation represented in the Group, was replaced with another member designated by that organisation.
- (c) a member (former Group Chair) stepped down with no replacement.

22. We continue to assess whether the Group's objectives (see [Group Terms of Reference](#)) have been achieved and whether to continue the Group in its current form.

IFRS Taxonomy Consultative Group

23. The ITCG advises both the IASB and ISSB on their respective taxonomy related activities—including reviews of taxonomy publications and files as part of due process.

24. The ITCG currently has 20 members and five appointed observers. The US SEC was appointed observer status to the ITCG in November 2023. Seven ITCG members had terms ending 1 April 2024. The IASB and ISSB re-appointed four members and appointed three new members. Terms were for a one-, two- or

three-year period starting 1 April 2024. At its February 2024 meeting, the DPOC reviewed the proposed composition of the ITCG before new appointments and reappointments were finalised to ensure an appropriate balance of perspectives, including geographical balance.

Management Commentary Consultative Group

25. 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. The project was put on hold pending the outcome of the ISSB's Consultation on Agenda Priorities, which included 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*. In April 2024, the ISSB decided not to prioritise such a project on integration in reporting at this time. The staff informed the Group of these developments.
26. The staff held a virtual meeting with the Group in May 2024 to obtain their views on the direction of the Management Commentary project. Members generally supported finalising the project as the reasons for undertaking it remain relevant. In June 2024, the IASB decided to finalise the revised Management Commentary Practice Statement by making targeted refinements to its proposals.
27. Because of the advanced stage of the project, the staff is not planning further meetings with the Group and is therefore not considering changes to its membership. However, the staff will invite input from the existing Group's members and observe on the indicative drafting of the targeted refinements to the proposals.

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
Standing Consultative Groups							
Accounting Standards Advisory Forum	Normally 4 per year	5	Sept 2024	All 12 members represented at each meeting	Various of the IASB's projects, including Power Purchase Agreements, Intangible Assets, Financial Instruments with Characteristics of Equity, Business Combinations – Disclosures, Goodwill and Impairment, Rate-regulated Activities, Climate-related risks in the Financial Statements, Equity Method, Disclosure Initiative – Subsidiaries that are SMEs, Provisions – Targeted Improvements, Post-implementation reviews (ie IFRS 9, IFRS 15).	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.	✓

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
Capital Markets Advisory Committee	At least 3 times per year	3	June 2024	October: 16 of 19 members attended. March: 19 of 20 members attended. June: 19 of 20 members attended.	Various of the Board's projects including Power Purchase Agreements, Intangible Assets, Financial Instruments with Characteristics of Equity, Business Combinations – Disclosures, Goodwill and Impairment, Climate-related risks in the Financial Statements, Post-implementation reviews (ie IFRS 9, IFRS 15), Equity Method, 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.	✓

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
Global Preparers Forum	Normally 3 times per year	3	June 2024	<p>November: 16 of 19 members attended.</p> <p>March: 19 of 20 members attended.</p> <p>June: 19 of 20 members attended.</p>	<p>Various of the Board's projects including Power Purchase Agreements, Intangible Assets, Financial Instruments with Characteristics of Equity, Business Combinations – Disclosures, Goodwill and Impairment, Equity Method, Climate-related risks in the Financial Statements, Post-implementation review of IFRS 15, Update on the ISSB work.</p>	<p>At each meeting we provide GPF with a summary of how the advice given at the previous meeting has or will be used.</p>	✓

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 2024	<p>October 2023: meeting: 10 of 12 members represented. In-person meeting in Cape Town, South Africa.</p> <p>May 2024 meeting: 11 of 12 members represented. In-person meeting in Taiyuan, China.</p>	<p>Various of the IASB's projects, including, 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.</p>	<p>At each meeting we present a cumulative log of topics discussed at previous meetings showing how the advice given has or will be used.</p>	✓

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
SME Implementation Group	n/a – the chair of the SMEIG decides if a meeting is necessary	2	September 2024	December 2023: 21 of 24 members (plus 1 of 3 observers). Virtual meeting. September 2024: 23 of 29 members (plus 1 of 3 observers). Virtual meeting.	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 informed 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 2024	November 2023: 12 of 15 members. May 2024: 13 of 16 members.	The IASB consulted on topics including Financial Instruments with Characteristics of Equity, Post-implementation reviews (ie IFRS 9 & 15) and general updates for the work of the IASB, Interpretations Committee and ISSB, Members also presented various topics to share knowledge.	Members can access publicly-available recordings of meetings from our website.	✓

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
IFRS Taxonomy Consultative Group	Frequency, format & timing of meetings driven by the number & timing of taxonomy releases and nature of topics	3	July 2024	October 2023: 18 of 20 members. February 2024: 19 of 20 members. July 2024: 19 of 20 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 IFRS 18 <i>Presentation and Disclosure in Financial Statements</i> .	A summary of the meeting is circulated to the ITCG (and posted to the website) after each meeting.	✓
Project Groups							
Consultative Group for Rate Regulation	Not specified - meet as required	1	November 2023	30 November 2023: 10 of 17 members attended.	Proposed disclosure requirements.	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	1	May 2024	8 out of 15 members and 4 observers attended.	Informing the IASB's forthcoming decision on the direction for the project	A summary of the meeting was circulated to the members of the Consultative Group (and posted to the website).	✓ see paras 25-27

Appendix

Consultative group	Objective	Composition	Chair	Board member representation at meetings
Standing Groups				
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	Up to 20 members (currently 20 members)	Co-chaired by Enitan Adebajo 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 20 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)	Tadeu Cendon attended the meeting in October 2023. Tadeu and Jianqiao Lu attended the May 2024 meeting, at which Rika Suzuki also attended one-session virtually.
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 2024 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)	The group Chair.

Consultative group	Objective	Composition	Chair	Board member representation at meetings
IFRS Taxonomy Consultative Group	To advise the IASB and ISSB on their respective digital taxonomies and related activities, including reviews of taxonomy publications and files as part of due process	Up to 20 members (currently 20 members plus 5 appointed observers)	Co-chaired by Ann Tarca (IASB member) and Bing Leng (ISSB member)	Other Board members attend
Project Consultative Groups				
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	15 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.