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## IASB<sup>®</sup> meeting

Date	<b>January 2025</b>
Project	<b>Provisions—Targeted Improvements</b>
Topic	<b>Comment period</b>
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This paper has been prepared for discussion at a public meeting of the International Accounting Standards Board (IASB). This paper does not represent the views of the IASB or any individual IASB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS<sup>®</sup> Accounting Standards. The IASB's technical decisions are made in public and are reported in the IASB<sup>®</sup> *Update*.

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## Introduction

1. On 12 November 2024, the International Accounting Standards Board (IASB) published the Exposure Draft *Provisions—Targeted Improvements* (Provisions Exposure Draft) with a 120-day comment period ending on 12 March 2025.
2. In this session, the IASB will be asked to decide whether to extend the comment period in the light of requests from national standard-setters.

## Rationale for setting a 120-day comment period

3. Paragraph 6.7 of the IFRS Foundation *Due Process Handbook* states that the IASB normally allows a minimum period of 120 days for comment on an exposure draft.
4. At its June 2024 meeting, the IASB decided to set a 120-day comment period for the Provisions Exposure Draft. [Agenda Paper 22C](#) for that meeting explains the staff rationale for recommending that period:

... we think the standard comment period of 120 days is sufficient to allow stakeholders the opportunity to review and evaluate the proposals in their

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jurisdictions—the proposals are for three targeted improvements to IAS 37, not for fundamental changes to, or replacement of, IAS 37.<sup>1</sup>

## National standard setters' requests

5. Several national standard setters have made or supported requests for an extension of the comment period.
6. The European Financial Reporting Advisory Group (EFRAG) has asked the IASB to extend the comment period by 60 days. In its letter requesting the extension (reproduced in the appendix to this paper), EFRAG expresses a view that:
  - (a) the implications of some of the proposals are difficult to understand and could result in more significant changes than initially expected, requiring more in-depth analysis and stakeholder consultation;
  - (b) European national standard-setters may find it difficult to collect input on the effects of the proposals during the European 'busy season', when companies with December year ends will not have sufficient time to review and evaluate the proposals; and
  - (c) the amendments are not especially urgent, and extending the comment period would allow a more solid assessment of their implications.
7. In the light of EFRAG's request:
  - (a) the Chair of the Canadian Accounting Standards Board (AcSB) has contacted the IASB informally to say that the AcSB supports EFRAG's request. The Chair says the AcSB is hearing inconsistent and unexpected views from its stakeholders, and an extra 60 days would allow it to do additional focused outreach, which would assist it in forming its views and provide the IASB with a more informed response.

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<sup>1</sup> Paragraph 17(a) of [Agenda Paper 22C](#) for the IASB's June 2024 meeting.

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- (b) a national standard-setter in the Asia-Oceania region has written to the IASB saying it would not object to the extension requested by EFRAG and reinforcing some of EFRAG's reasoning.
8. The UK Endorsement Board (UKEB) also discussed the comment period for the Provisions Exposure Draft at its public meeting on 12 December 2024. The [Summary of Decisions](#) for that meeting reports that:

The Board [UKEB] noted that given the likely impact of the amendments, the bespoke nature and complexity of fact patterns involved, and the timing of the consultation period coinciding with winter holidays and year end busy periods for a number of stakeholders, it would be difficult to provide high-quality input to the IASB under their current project timeline. It therefore agreed that the IASB's attention should be drawn to the fact that an extension to the comment deadline will allow all stakeholders to consider the issues more fully and provide conclusive feedback on the ED [Provisions Exposure Draft] proposals.

9. Only national standard-setters have expressed concerns to us about the length of the comment period. Other stakeholders we have met since the start of the comment period—including those who would be required to implement the proposed amendments (preparers and auditors of financial statements)—have not expressed concerns. A few preparers of financial statements have said they are keenly awaiting the withdrawal of IFRIC 21 *Levies* and would like the IASB to finalise the amendments as soon as possible.

## Factors to consider in deciding whether to extend the comment period

10. In deciding whether to extend the comment period, the IASB may wish to consider:
- (a) other documents open for comment (paragraphs 11–13); and
  - (b) our procedure for comments submitted after the deadline (paragraph 14).

***Other documents open for comment***

11. The comment periods of five other IFRS Foundation consultation documents overlap that of the Provisions Exposure Draft. However, only two (shaded grey in the table below) overlap it substantially:

Title	Publication date	Comment deadline
<i>Translation to a Hyperinflationary Presentation Currency</i>	25 July 2024	22 Nov 2024
<i>Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures</i>	30 July 2024	27 Nov 2024
<i>Climate-related and Other Uncertainties in the Financial Statements</i>	31 July 2024	28 Nov 2024
<i>Equity Method of Accounting— IAS 28 Investments in Associates and Joint Ventures (revised 202x).</i>	19 Sept 2024	20 Jan 2025
<i>Exposure Draft Proposed Amendments to the IFRS Foundation Due Process Handbook</i>	19 Dec 2024	28 March 2025

12. Two IFRS Interpretations Committee agenda decisions published in December 2024 are open for comment until 3 February 2025.
13. No other consultation documents are due to be published before the end of the comment period for the Provisions Exposure Draft.

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***Our procedure for comments submitted after the deadline***

14. If a stakeholder is unable to meet the comment deadline for an IASB consultation document, our procedure for late comment letters applies. Comment letters submitted after the deadline are added to the IASB's comment letter database and made public on the IASB website, up to the date they are still useful. Although the letters are marked as 'late' on the website and are excluded from the demographic statistics (numbers of stakeholders commenting, categorised by type and geographical region) in the initial staff analysis:
- (a) the comments in the letters are considered in the initial staff analysis if possible, and in the later, more detailed papers supporting re-deliberations; and
  - (b) the letters are included in the demographic statistics reported in the feedback statement published at the end of the project.

**Questions for the IASB****Questions for the IASB**

1. Do you want to extend the comment period for the Provisions Exposure Draft?
2. If the IASB decides to extend the comment period, do you think it should extend the period by the 60 days requested by national standard-setters?