
Accounting Standards Advisory Forum meeting

Date	March 2025
Project	Trustees' review of the IFRS Foundation Due Process Handbook
Topic	Proposed amendments to the <i>Due Process Handbook</i>
Contacts	Henry Rees (hrees@ifrs.org) Jack Booth (jack.booth@ifrs.org)

This paper has been prepared for discussion at a public meeting of the Accounting Standards Advisory Forum (ASAF). This paper does not represent the views of the International Accounting Standards Board (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[®] Accounting Standards. The IASB's technical decisions are made in public and are reported in the IASB[®] *Update*.

Purpose of this session

The IFRS Foundation Trustees published an [Exposure Draft](#) of proposed amendments to the IFRS Foundation *Due Process Handbook* on 19 December 2024

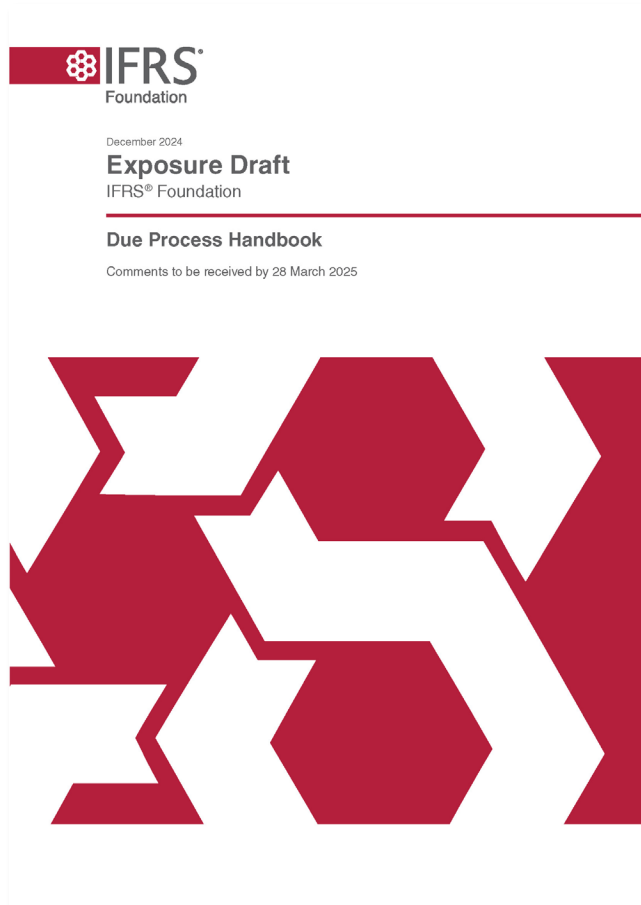
The purpose of this session is therefore to:

- Update ASAF members about the proposed amendments to the *Due Process Handbook*
- Provide ASAF members with the opportunity to ask questions and share any initial views about the proposed amendments

Further information about the project can be found on the [project page on the website](#)

Background

Exposure draft at a glance



- Exposure draft published 19 December 2024
- The objective of the proposed amendments:
 - ① to reflect the creation of the ISSB in the *Due Process Handbook*
 - ② to make some targeted enhancements and clarifications
- Open for comment until 28 March 2025
- Trustees will consider feedback and aim to publish the revised *Handbook* in H2 2025

IFRS Foundation's due process

IFRS Standards are developed using a rigorous, inclusive and transparent due process



The *Due Process Handbook* describes the requirements the IASB, ISSB and IFRS Interpretations Committee follow in developing and maintaining the Standards and related materials

The *Handbook* builds on the due process requirements in the IFRS Foundation *Constitution*



The due process is built on three principles:

- **Transparency**—the IASB, ISSB and IFRS Interpretations Committee operate in a transparent manner
- **Full and fair consultation**—consider the perspectives of stakeholders globally
- **Accountability**—the boards analyse the likely effects of new requirements and explain the rationale for their decisions

The due process and *Handbook* are owned and overseen by the IFRS Foundation Trustees' Due Process Oversight Committee (DPOC)

Why is the DPOC revising the *Handbook* now?

- The *Due Process Handbook* was last updated in 2020 prior to the creation of the ISSB—it therefore does not refer to the ISSB.
- From its inception the ISSB has followed the same due process as the IASB and its activities have been overseen by the DPOC.
- For good governance, it is important the *Handbook* formally specifies the due process for the ISSB. The Foundation’s due process underpins the boards’ standard-setting and was one of the main reasons the Foundation was asked to create the ISSB.
- No fundamental changes to the due process are proposed. The current due process is thorough and robust and is appropriate for the ISSB as well as the IASB, and the 2020 amendments are working well.
- The update provides an opportunity to propose some targeted enhancements and clarifications reflecting experience since 2020. These do not represent fundamental changes.
- The ISSB is at an early in its operations, and the IASB and ISSB are at an early stage in their connectivity work. The DPOC will monitor the need for any changes to due process.

Proposed amendments to the *Handbook*

① Reflecting the creation of the ISSB in the *Handbook*



Specify the due process requirements apply to the ISSB

- Explicit statement that both boards apply the same due process
- Updated language for the Foundation's expanded remit
- New references to the ISSB's advisory bodies—eg SSAF, IAG—and stakeholder network



New annex on due process for SASB Standards and SASB Standards Taxonomy

- Reflects due process approved by the DPOC in 2022 and which the ISSB has followed
- No change to the usual consultation process
- Allows use of a SASB Standards Board Adviser Group to develop amendments for ratification and publication by the ISSB
- Ratification requires same supermajority of the ISSB as for ISSB Standards



Including connectivity

- Objective of complementary and compatible IFRS Accounting Standards and IFRS Sustainability Disclosure Standards
- Aspects of collaborative working
- Explains voting for any joint document—requires the usual supermajority of *each* board

② Targeted enhancements and clarifications



Post-implementation reviews (PIRs)

- Improved explanations of the objective, start date, process to decide whether matters identified need further action, and possible outcomes of a PIR
- Reflects the IASB's recent experience and developments
- No change to the main features of the current PIR process



Process for minor improvements

- Enhanced the requirements for 'annual improvements' to allow a minor or narrow-scope *update* of a requirement or accompanying material (eg a metric in an industry-based requirement). Process currently limited to clarifications or corrections
- Allows the ISSB to use the more agile due process to maintain industry-based requirements—eg 90-day comment period

② Targeted enhancements and clarifications (continued)



Interpretations Committee due process

- The amendments in the 2020 *Handbook* update to enhance the effectiveness of Agenda Decisions are working well. No fundamental changes required
- Clarified meaning of the criterion ‘the matter has widespread effect’ used to assess stakeholder submissions



Material to support application of IFRS Standards

- Changed description from ‘educational material’ to better reflect broader array of materials produced to support application, implementation or adoption of the Standards, including interoperability guidance
- Clarified existing due process—eg material cannot add or change requirements, specified levels of review are minimums



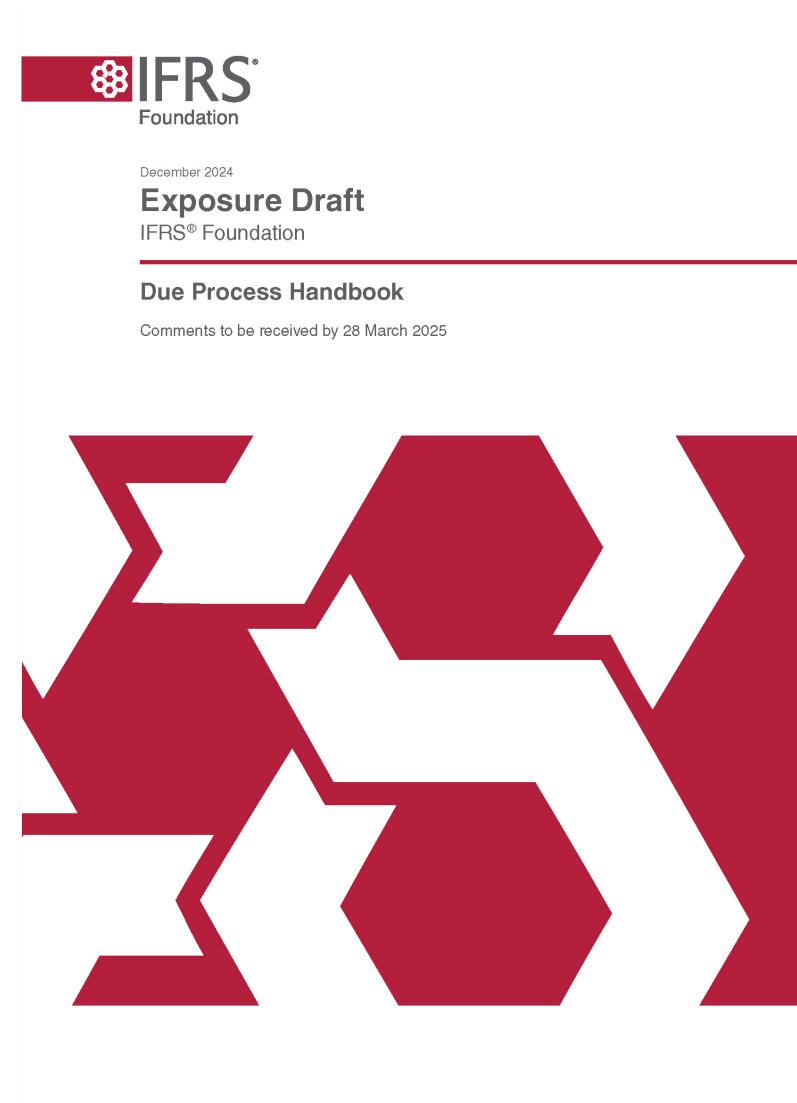
Other targeted enhancements and clarifications

Get involved

- Review our proposals
- Share your feedback



Consultation closes 28 March 2025



Question for ASAF members:

Do ASAF members have any comments/questions?

Follow us online

 [ifrs.org](https://www.ifrs.org)

 [@IFRSFoundation](https://twitter.com/IFRSFoundation)

 [IFRS Foundation](https://www.youtube.com/IFRSFoundation)

 [IFRS Foundation](https://www.linkedin.com/company/ifrs-foundation)