
IASB[®] meeting

Date	March 2025
Project	Updating IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>
Topic	Due process
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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[®] Accounting Standards. The IASB's technical decisions are made in public and are reported in the IASB[®] *Update*.

Purpose of this paper

1. The purpose of this paper is:
 - (a) to set out the steps in the [IFRS Foundation Due Process Handbook](#) (the *Due Process Handbook*) that the International Accounting Standards Board (IASB) has taken in completing the amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures* proposed in the [Exposure Draft Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures](#) (the Exposure Draft);
 - (b) to ask the IASB's permission to begin the balloting process for the amendments to IFRS 19; and
 - (c) to ask whether any IASB member intends to dissent from the issuance of the amendments to IFRS 19.

Structure of this paper

2. This paper includes:
 - (a) project history—summary (paragraphs 3–22);
 - (b) due process steps and permission for balloting (paragraphs 23–31);
 - (c) next steps—timetable for balloting and publication (paragraph 32); and
 - (d) appendices to this paper:
 - (i) Appendix A—Due process steps;
 - (ii) Appendix B—IASB's tentative decisions to date on completing the amendments to IFRS 19; and
 - (iii) Appendix C—Meetings of the IASB and its consultative bodies.

Project history—summary

Developing the Exposure Draft

3. IFRS 19 is a voluntary IFRS Accounting Standard which permits eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements.¹
4. IFRS 19 sets out reduced disclosure requirements for IFRS Accounting Standards issued as at 28 February 2021. For new and amended IFRS Accounting Standards issued after that date, the disclosure requirements are included in full because they were not part of the exposure draft leading to the issue of IFRS 19 (for brevity, these disclosure requirements are referred to as ‘new and amended disclosure requirements’ in this paper).

¹ A subsidiary is eligible if (i) it does not have public accountability and (ii) it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

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5. In July 2023, the IASB confirmed that the new and amended disclosure requirements would be dealt with through a ‘catch-up’ exposure draft.
 6. In November 2023, the IASB decided that, to identify how to reduce these new and amended disclosure requirements, it would apply the same principles for reducing disclosure requirements it applied when developing IFRS 19.
 7. From January 2024 to March 2024, the IASB discussed proposals to be included in the Exposure Draft.
 8. In July 2024, the IASB published the Exposure Draft with a comment period of 120 days which ended on 27 November 2024 (the minimum comment period for an exposure draft, see paragraph 6.7 of the *Due Process Handbook*). The Exposure Draft proposed reduced disclosure requirements related to the following new and amended IFRS Accounting Standards:
 - (a) IFRS 18 *Presentation and Disclosure in Financial Statements*;
 - (b) supplier finance arrangements;
 - (c) Pillar Two model rules;
 - (d) lack of exchangeability; and
 - (e) classification and measurement of financial instruments.
 9. The Exposure Draft also proposed that an eligible subsidiary applying IFRS 19 and the prospective Regulatory Assets and Regulatory Liabilities (RARL) standard will be required to apply all the disclosure requirements in the prospective RARL standard.

Feedback

10. The IASB received 33 comment letters, and IASB members and staff participated in four outreach events with various types of stakeholders.² In January 2025, the IASB discussed the feedback on the Exposure Draft.
11. Much of the feedback in comment letters and in outreach events agreed with the IASB's proposals in the Exposure Draft. However, some respondents questioned the extent of the proposed reductions in the disclosure requirements. These respondents suggested that while individual proposals appeared reasonable, the overall result might be disproportionate because the new disclosure requirements from IFRS Accounting Standards issued after 28 February 2021 have not been reduced to the same extent as the disclosure requirements from IFRS Accounting Standards issued before 28 February 2021.
12. Some respondents commented on topics related to IFRS 19 but unrelated to proposals in the Exposure Draft. These topics included the scope of the Standard, the use of a parent company exemption, revisiting the principles for reducing disclosure requirements, revisiting disclosure requirements in the Standard that were outside the scope of the Exposure Draft and reconciling the disclosure requirements in the Standard with the *IFRS for SMEs* Accounting Standard (see [Agenda Paper 32A General issues and approach to redeliberations](#) of the February 2025 IASB meeting).

Redeliberations

13. At its February 2025 meeting, the IASB redeliberated the proposals in the Exposure Draft taking into consideration the feedback. The IASB confirmed its proposals in the Exposure Draft subject to the following changes:

² See [Agenda Paper 32 Summary of Feedback](#) of the January 2025 IASB meeting.

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- (a) for the proposals relating to supplier finance arrangements—withdrawing the proposed new paragraph 167A of IFRS 19, which would have defined a supplier finance arrangement, and deleting paragraph 168(b)(iii) of IFRS 19, which requires the disclosure of the range of payment due dates;
 - (b) for the proposals relating to Pillar Two—adding the phrase ‘known or reasonably estimable’ to paragraph 199 of IFRS 19, which would make the application of the disclosure requirement no more onerous than the equivalent requirement in IAS 12 *Income Taxes*; and
 - (c) for the proposals relating to financial instruments classification and measurement—deleting the second sentence of paragraph 56A and paragraph 56C of IFRS 19, which were guidance paragraphs and not disclosure requirements.
14. In addition to the changes in paragraph 13 of this paper, if the IASB agrees with the staff recommendation in Agenda Paper 32A *Other matters* of this meeting, consequential amendments to Appendix C of IFRS 19 will be made to incorporate changes made by IFRS 18.
15. Potential amendments related to the prospective RARL standard will be considered separately since the amendments to IFRS 19 are expected to be finalised before the IASB issues the prospective RARL standard.
16. The IASB intends that the amendments to IFRS 19 will be issued this year. This will enable eligible subsidiaries applying IFRS 19 from its effective date of 1 January 2027 (and those applying it early) to benefit from the reduced disclosure requirements.
17. Appendix B of this paper summarises IASB’s tentative decisions on developing the amendments to IFRS 19.

Consulting with IFRS Advisory Council and other IASB's consultative bodies

18. The IASB is required to update the IFRS Advisory Council on its technical programme and projects as part of its due process (see paragraph 3.54 of the *Due Process Handbook*). The IFRS Advisory Council was updated on IASB technical projects in April 2024 and November 2024.
19. The IASB also engaged with its consultative bodies in seeking comments on the proposals in the Exposure Draft including meetings with the Accounting Standards Advisory Forum, Emerging Economies Group, the SME Implementation Group and a joint meeting with the Global Preparers Forum and Capital Markets Advisory Committee. Feedback from these meetings was presented to the IASB in January 2025 (see [Agenda Paper 32 Summary of Feedback](#) of that meeting).

Analysis of the expected effects

20. The amendments to IFRS 19 complete the IASB's work on IFRS 19; that is, new and amended disclosure requirements issued since the exposure draft of IFRS 19 was published will have been 'caught up' by the amendments. After the amendments are issued, IFRS 19 will be consequentially amended as and when the IASB issues new and amended IFRS Accounting Standards.
21. The main effect of the amendments is increased consistency with the objective of IFRS 19. The amendments reduce the disclosure requirements introduced by the projects listed in paragraph 8 of this paper. Without the amendments, an eligible subsidiary would apply those disclosure requirements in full. Consequently, the staff think there is no need to have a separate effects analysis.
22. The IASB considered costs and benefits for eligible subsidiaries in developing the proposals in the Exposure Draft and in completing the amendments to IFRS 19. The Basis for Conclusions on IFRS 19 will make reference to the expected costs and benefits of the amended requirements.

Due process steps and permission for balloting

Mandatory due process steps

23. The *Due Process Handbook* outlines the following mandatory due process steps (see paragraph 3.44 of the *Due Process Handbook*):

Mandatory due process steps

Mandatory due process steps (minimum safeguards)	Paragraph reference
(a) Debating any proposals in public meetings	5–7, 10–17
(b) Exposing for public comment a draft of any proposed new IFRS Accounting Standard with minimum comment periods	8
(c) Considering in a timely manner comment letters received on the proposals	10–17
(d) Considering whether the proposals should be exposed again	25–28
(e) Consulting the ASAF and the IFRS Advisory Council	18–19

24. Optional due process steps are set out in paragraph 29 of this paper. Appendix A of this paper provides further detail on the due process steps taken in developing and completing the amendments to IFRS 19.

Considering re-exposure

25. Paragraph 6.25 of the *Due Process Handbook* sets out the actions to be taken by the IASB in considering whether there is a need for re-exposure.

In considering whether there is a need for re-exposure, the Board:

- (a) identifies substantial issues that emerged during the comment period on the exposure draft and that it had not previously considered;
- (b) assesses the evidence that it has considered;

- (c) determines whether it has sufficiently understood the issues, implications and likely effects of the new requirements and actively sought the views of interested parties; and
- (d) considers whether the various viewpoints were appropriately aired in the exposure draft and adequately discussed and reviewed in the basis for conclusions.

26. Paragraph 6.26 of the *Due Process Handbook* also states:

It is inevitable that the final proposals will include changes from those originally proposed. The fact that there are changes does not compel the Board to re-expose the proposals. The Board needs to consider whether the revised proposals include any fundamental changes on which respondents have not had the opportunity to comment because they were not contemplated or discussed in the basis for conclusions accompanying the exposure draft. The Board also needs to consider whether it will learn anything new by re-exposing the proposals. If the Board is satisfied that the revised proposals respond to the feedback received and that it is unlikely that re-exposure will reveal any new concerns, it should proceed to finalise the proposed requirements.

27. In completing the amendments to IFRS 19, the IASB amended some of its proposals in the Exposure Draft based on feedback (see paragraph 13) and, subject to IASB agreement, included consequential amendments to Appendix C of IFRS 19. None of the changes to the proposals constitute fundamental changes and were based on feedback on the Exposure Draft.
28. Therefore, it is unlikely that re-exposure would reveal any new concerns. Consequently, the staff do not think it is necessary to re-expose the proposals.

Optional due process steps

29. Paragraph 3.45 of the *Due Process Handbook* sets out optional due process steps (‘comply or explain’ steps). None of the optional due process steps were deemed necessary:
- (a) *Publishing a discussion document for major projects (for example, a discussion paper) before an exposure draft is developed.* During the development of IFRS 19, the IASB built an expectation with stakeholders that it would publish an exposure draft on whether and how to reduce the new and amended disclosure requirements (see paragraph 5 of this paper).
 - (b) *Establishing consultative groups or other types of specialist advisory groups for major projects.* Although no consultative body was established for IFRS 19, the Exposure Draft was discussed with consultative bodies (see paragraph 19 of this paper).
 - (c) *Holding public hearings.*
 - (d) *Undertaking fieldwork.*

Confirmation of due process steps, permission to begin the balloting process and intention to dissent

30. Appendix A of this paper summarises the required due process steps and the status of any planned action for these steps. The applicable due process steps to date for balloting the amendments to IFRS 19 have been completed. Consequently, we are asking permission to begin the balloting process.
31. In accordance with Paragraph 6.23 of the *Due Process Handbook*, we are asking whether any IASB member intends to dissent from the issuance of the amendments to IFRS 19.

Next steps—timetable for balloting and publication

32. Subject to IASB agreement, the balloting process will begin in May 2025, and it is expected that the amendments to IFRS 19 will be issued in August 2025.

Questions to the IASB

Questions for the IASB

1. **Due process**—Is the IASB satisfied that all the mandatory due process steps have been met in the project (see paragraphs 23–24)?
2. **Re-exposure**—Does the IASB agree with the staff recommendation not to re-expose the proposals in the Exposure Draft as revised by IASB’s tentative decisions (see paragraphs 25–28)?
3. **Permission to begin the balloting process**—Does the IASB grant staff permission to begin the balloting process for the amendments to IFRS 19 (see paragraph 30)?
4. **Dissent**—Does any IASB member intend to dissent from the issuance of the amendments to IFRS 19 (see paragraph 31)?

Appendix A—Due process steps

A1. The table below sets out how the IASB has complied with the due process steps to date required to finalise an amendment to an IFRS Accounting Standard.

Step	Required/ Optional	Actions
Consideration of information gathered during consultation		
The IASB posts all of the comment letters that are received in relation to the Exposure Draft on the project pages.	Required	The IASB received 33 comment letters. IASB members and staff participated in four outreach events with various types of stakeholders.
Round-tables between external participants and members of the IASB.	Optional	The comment letters on the Exposure Draft can be accessed here . A summary of feedback from comment letters and outreach events was presented to and discussed by the IASB in January 2025. See Agenda Paper 32 Summary of feedback of the January 2025 IASB meeting.
IASB meetings are held in public, with papers being available for observers. All decisions are made in public sessions.	Required	The IASB has discussed the feedback and redeliberated the proposals in the Exposure Draft in two meetings. All decisions on the amendments to IFRS 19 were taken during these meetings. The project page on the IFRS Foundation website contains a full description with up-to-date information. Papers for the meetings were posted before each meeting and a summary of each meeting was included in <i>IASB Update</i> . Appendix C of this paper provides a list of these meetings and topics discussed.
Analysis of likely effects of the forthcoming Standard or major amendment, for example, costs or on-going associated costs.	Required	No separate effects analysis document will be prepared. The Basis for Conclusions on IFRS 19 will include a discussion of their expected costs and benefits (see paragraphs 20–22 of this paper).
Email alerts are issued to registered recipients.	Optional	Interested parties have been notified when updates to the project website have been made using the <i>News</i> section of the project page and subscriber email alerts.
Outreach meetings to promote debate and hear views on	Optional	Four outreach events were held during the consultation period of the Exposure Draft. A

Step	Required/ Optional	Actions
proposals that are published for public comment.		summary of feedback from outreach events were presented to and discussed by the IASB in January 2025. See Agenda Paper 32 Summary of feedback of the January 2025 IASB meeting.
Regional discussion forums are organised with national standard-setters and the IASB.	Optional	Appendix B of this paper provides a list of these meetings and topics discussed.
Finalisation		
Due process steps are reviewed by the IASB.	Required	This paper asks the IASB to review the due process steps taken and whether the IASB is satisfied that it has complied with all the applicable requirements.
Need for re-exposure of a Standard is considered.	Required	The staff think that the revisions to the Exposure Draft respond to the feedback received and that re-exposure would not reveal any new information, see paragraphs 25–28 of this paper.
The IASB sets an effective date for the Standard, considering the need for effective implementation, generally providing at least a year.	Required	The staff has recommended an effective date for the amendments to IFRS 19 for the IASB to decide. See Agenda Paper 32A <i>Other matters</i> of this month's meeting.
Drafting		
The Translations team has been included in the review process.	Required	This step will be completed during the balloting process. Reduced disclosure requirements are from IFRS Accounting Standards.
The XBRL team has been included in the review process.	Required	This step will be completed toward the end of the project.
The Editorial team has been included in the review process.	Optional	The Editorial team will review the amendments to IFRS 19 during the balloting process.
Draft for editorial review has been made available external reviewers and the comments have been collected and considered by the IASB.	Optional	The staff intend to send a draft of the amendments to external parties for review. This process allows external parties to review and report back to the staff on the clarity and understandability of the draft, mainly with editorial comments. The external review process does not grant external parties the opportunity to question the IASB's technical decisions.
Draft for editorial review has been posted on the project website.	Optional	There is no plan to post a draft of the amendments to IFRS 19 on the project website.

Step	Required/ Optional	Actions
Publication		
Press release to announce final Standard.	Required	This step will be completed toward the end of the project.
A Feedback Statement is provided, which provides high level executive summaries of the Standard and explains how the IASB has responded to the comments received.	Required	The publication of a new IFRS Accounting Standard or a major amendment to a Standard, is also accompanied by a project summary and a feedback statement (see paragraph 6.38 of the <i>Due Process Handbook</i>). Given the scope of these amendments to IFRS 19, a feedback statement (and a project summary) is not considered necessary.
Podcast to provide interested parties with high level updates or other useful information about the Standard.	Optional	Not applicable.
Standard is issued.	Required	The amendments to IFRS 19 will be made available on the IFRS Foundation website when issued. The DPOC will be informed when the amendments are published.

Extracts from the Due Process Handbook

Minimum safeguards

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3.44 The due process steps that are mandatory include:

- (a) debating any proposals in one or more public meetings;
- (b) exposing for public comment a draft of any proposed new IFRS Standard, proposed amendment to a Standard or proposed IFRIC Interpretation—with minimum comment periods;
- (c) considering in a timely manner comment letters received on the proposals;

- (d) considering whether the proposals should be exposed again;
- (e) consulting the Accounting Standards Advisory Forum (ASAF) and the IFRS Advisory Council (Advisory Council) on the work plan, major projects, project proposals and work priorities; and
- (f) deciding in a public Board meeting whether to ratify an Interpretation.

‘Comply or explain’ steps

3.45 Other steps specified in the Constitution are not mandatory. They include:

- (a) publishing a discussion document for major projects (for example, a discussion paper) before an exposure draft is developed;
- (b) establishing consultative groups or other types of specialist advisory groups for major projects;
- (c) holding public hearings; and
- (d) undertaking fieldwork.

3.46 If the Board decides not to undertake those non-mandatory steps, it informs the DPOC of its decision and reasons for not undertaking the steps.

Appendix B—IASB’s tentative decisions to date on completing the amendments to IFRS 19

Project/Amendments within the scope of the proposals	Tentative Decision (February 2025)
<i>Lack of Exchangeability</i> (Amendments to IAS 21)	The IASB tentatively decided to retain its proposals.
<i>International Tax Reform—Pillar Two Model Rules</i> (Amendments to IAS 12)	The IASB tentatively decided to change its proposals by adding the phrase ‘known or reasonably estimable’ to paragraph 199 of IFRS 19.
<i>Supplier Finance Arrangements</i> (Amendments to IAS 7 and IFRS 7)	<p>The IASB tentatively decided to change its proposals by:</p> <ul style="list-style-type: none"> (a) withdrawing the proposed new paragraph 167A of IFRS 19, which would have defined a supplier finance arrangement; and (b) deleting paragraph 168(b)(iii) of IFRS 19, which requires an entity to disclose the range of payment due dates for both the financial liabilities it has disclosed in accordance with paragraph 168(b)(i) and the comparable trade payables that are not part of a supplier finance arrangement.
<i>Amendments to the Classification and Measurement of Financial Instruments</i> (Amendments to IFRS 9 and IFRS 7)	The IASB tentatively decided to change its proposals by deleting the second sentence of paragraph 56A and paragraph 56C of IFRS 19.
<i>Primary Financial Statements</i> (IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>) and <i>Non-current Liabilities with Covenants</i> (Amendments to IAS 1)	The IASB tentatively decided to retain its proposals.

Appendix C—Meetings of the IASB and its consultative bodies

Table C1—IASB meetings during the development of the Exposure Draft

Date	Topic(s) discussed
November 2023	<ul style="list-style-type: none"> Project plan for the Exposure Draft
January 2024	<ul style="list-style-type: none"> Proposed reduced disclosure requirements for projects on Lack of Exchangeability, Pillar Two Model Rules, Supplier Finance Arrangements and Amendments to the Classification and Measurement of Financial Instruments
March 2024	<ul style="list-style-type: none"> Proposed reduced disclosure requirements for projects on Primary Financial Statements, Non-current Liabilities with Covenants and Rate-regulated activities
April 2024	<ul style="list-style-type: none"> Effective date and transition Due process

Table C2—IASB meetings during the finalisation of the amendments to IFRS 19

Date	Topic(s) discussed
January 2025	<ul style="list-style-type: none"> Feedback on the Exposure Draft
February 2025	<ul style="list-style-type: none"> General issues and approach to redeliberations Considering reductions in disclosure requirements
March 2025	<ul style="list-style-type: none"> Other matters (including effective date, transition and changes to consequential amendments to other IFRS Accounting Standards in Appendix C of IFRS 19) Due process

Table C3—Consultative group meetings

Date	Consultative group	Topic(s) discussed
June 2024	Joint meeting with the Capital Markets Advisory Committee and Global Preparers Forum	<ul style="list-style-type: none"> Overview of IFRS 19 Overview of the Exposure Draft
September 2024	SME Implementation Group	<ul style="list-style-type: none"> Overview of IFRS 19 Overview of the Exposure Draft
December 2024	Accounting Standards Advisory Forum Emerging Economies Group	<ul style="list-style-type: none"> Proposals to amend IFRS 19 Proposals to amend IFRS 19