

# Due Process Compliance Statement: *Lack of Exchangeability* (Amendments to IAS 21)

Title of the Amendment	Issue dates
<i>Lack of Exchangeability</i> (Amendments to IAS 21)	<ul style="list-style-type: none"> <li>Exposure Draft ED/2021/4 issued: 20 April 2021.</li> <li>Final amendments issued: 15 August 2023.</li> <li>Effective for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.</li> </ul>

## Project preparation

Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Added to the UKEB technical work plan [Due Process Handbook (Handbook) [4.30]</b>	Mandatory	Project is included in the UKEB published technical work plan.	<b>Complete:</b> The Amendments were included in the UKEB technical work plan published in <a href="#">September 2023</a> .
<b>Project Initiation Plan (PIP) [Handbook 6.12 to 6.16, A1 to</b>	Mandatory	PIP draft with project outline (background, scope, project objective) and approach for endorsement	<b>Complete:</b> The Secretariat included mandatory milestones for the project and considered, as appropriate, other milestones and activities.  The <a href="#">PIP</a> was approved at the 16 November 2023 Board meeting.

<sup>1</sup> In accordance with the [Due Process Handbook](#).

Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
A2 and A12 to A14]		(key milestones and timing)	
Project Initiation Plan (PIP) [Handbook 6.12 to 6.16, A1 to A2 and A12 to A14]	Mandatory	Outreach plan for stakeholders and communication approach outlined	<p><b>Complete:</b> Due to the narrow-scope of the Amendments, consultation activities were focused on obtaining responses to the Draft Endorsement Criteria Assessment (DECA) as well as consulting with UKEB advisory groups and limited targeted outreach with relevant UK stakeholders, including some who had previously provided feedback to the IASB and/or UKEB.</p> <p>The PIP (referred to above) included the outreach plan and approach.</p>
	Mandatory	Resources allocated	<p><b>Complete:</b> One Project Manager supported and overseen by one Project Director, with communications and economics team support.</p>
	Mandatory	Assessment of whether to set up an ad-hoc advisory group	<p><b>Complete:</b> Assessed.</p> <p>Taking a proportionate approach, an ad-hoc advisory group was not considered necessary due to the narrow-scope nature of the Amendments.</p>
	Mandatory	Assessment of whether PIP required updating	<p><b>Complete:</b> Assessed</p> <p>The Secretariat monitored this throughout the project, the nature and scope of which remained as proposed in the original PIP.</p> <p>Based on the discussion in January, and at the suggestion of the Board, the Secretariat has brought forward the timeline for endorsement (originally planned for June 2024 in the PIP) by a month. This does not represent a major change to the nature and scope of a project and therefore the PIP was not updated to reflect this. However, the project timeline in the cover paper for the ECA was updated.</p>

Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
	Mandatory	UKEB Board public meeting held to approve PIP	<b>Complete:</b> The <a href="#">PIP</a> was approved at the 16 November 2023 Board meeting.
<b>Education sessions [Handbook 4.10]</b>	Optional	Board provided with Education sessions or updates on the IASB project	<b>Complete:</b> None was provided as the amendments were not expected to be complex.

## Desk-based research

Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Desk-based research [Handbook 6.17 and A3]</b>	Optional	Review of relevant documentation	<b>Complete:</b> The Secretariat has reviewed: <ul style="list-style-type: none"> <li>• The IASB's work on the Amendments mainly the IASB's staff papers, Exposure Draft (ED) including its Basis for Conclusions, and final amendments;</li> <li>• Comment letters on the ED received by the IASB from UK stakeholders including the UKEB;</li> <li>• Previous work done by the UKEB as part of its influencing activities;</li> <li>• Regulatory opinion/CRR feedback</li> <li>• Other standard-setter views; and,</li> <li>• Accounting manuals and press releases.</li> </ul>

## Outreach

Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<p><b>Consult with a representative range of stakeholders prior to adoption [Handbook 6.18 to 6.21 and A4 to A8]</b></p>	Mandatory	Evidence of consultation	<p>Due to the narrow-scope nature of the Amendments, consultation activities were focused on obtaining responses to the Draft Endorsement Criteria Assessment (DECA), consultation with UKEB advisory groups, and limited targeted outreach with relevant UK stakeholders.</p> <p>A summary of outreach activities is provided in the Feedback Statement.</p> <p>The UKEB received five comment letters in response to its Invitation to Comment.</p> <p>The comment letters received were published on the UKEB website.</p>

## Draft Endorsement Criteria Assessment (DECA)

Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<p><b>DECA [6.23 to 6.29]</b></p>	Mandatory	The UKEB sets comment period for responses to DECA	<p><b>Complete:</b> The <a href="#">DECA</a> was published for consultation for 90 days on 5 February 2024 (comment period deadline: 6 May 2024)</p>
	Mandatory	Review and approval at a UKEB public meeting	<p><b>Complete:</b> The <a href="#">DECA</a> was reviewed and approved at the Board meeting on 30 January 2024.</p>

	Mandatory	DECA published on website for public consultation	<b>Complete:</b> The Secretariat published the approved <a href="#">DECA</a> on the UKEB website for a 90 day consultation period from 5 February 2024 to 6 May 2024.
	Mandatory	Public responses to DECA assessed and published on website	<b>Complete:</b> The UKEB received five comment letters which were published on the UKEB website.  All responses were assessed, reflected as appropriate in the final ECA and summarised in the Feedback Statement.

## Project finalisation and project closure

Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Final Endorsement Criteria Assessment (ECA)</b> [Handbook 6.32 and 6.40 to 6.48]	Mandatory	Final ECA approved by the UKEB in public meeting	<b>Complete:</b> A draft of the final ECA was presented for approval to the Board at its 24 May 2024 public meeting. The Board approved the final ECA, subject to suggested amendments.
	Mandatory	Final ECA published on the website	<b>Complete:</b> The final ECA was published on the UKEB website on 17 July 2024.
<b>Feedback Statement</b> [Handbook 6.33 to 6.36]	Mandatory	Feedback Statement approved by the UKEB in a public meeting	<b>Complete:</b> A draft of the Feedback Statement was presented for approval to the Board at its 24 May 2024 public meeting. The Board approved the draft final Feedback Statement, subject to editorial changes.

Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
	Mandatory	Feedback Statement published on the website	<b>Complete:</b> The final Feedback Statement was published on the UKEB website on 17 July 2024.
<b>Adoption Statement [Handbook 6.40 to 6.48]</b>	Mandatory	Adoption Statement approved by the UKEB in public meeting	<b>Complete:</b> The Adoption Statement for the Amendments was approved by the Board at its 24 May 2024 public meeting.
	Mandatory	Adoption Statement published on the website	<b>Complete:</b> The final Adoption Statement for the Amendments was published on 17 July 2024.

Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Voting on adoption of the Amendments [Handbook 6.42 to 6.48]</b>	Mandatory	Tentative vote	<b>Complete:</b> Tentative vote took place at the 24 May 2024 Board meeting based on the discussion of the Adoption Package, which included the final draft ECA, the Feedback Statement, the DPCS, the draft Adoption Statement for the Amendments and the text of the UK-adopted international accounting standard ( <i>Lack of Exchangeability Amendments to IAS 21</i> ). The vote was indicative only.
	Mandatory	Evidence of written vote (in paper or electronic form)	<b>Complete:</b> The Adoption Statement and voting forms were sent to the Board for voting (accompanied by the text of the Amendments to be adopted) on 8 July 2024 <sup>2</sup> (written forms due by noon 15 July 2024). The vote was formalised by Board members signing the formal voting forms for the Amendments.
	Mandatory	Outcome of the vote within 3 working days of the formal vote published on website	<b>Complete:</b> The announcement of the adoption of the Amendments was published on the UKEB website on 17 July 2024.
<b>Due Process Compliance Statement (DPCS)</b>	Mandatory	DPCS approved by the UKEB in public meeting	<b>Complete:</b> A draft DPCS was presented for approval to the Board at its 24 May 2024 public meeting. A final DPCS was presented for noting at the Board's 18 July 2024 meeting.

<sup>2</sup> Due to the pre-election period of sensitivity, the formal written vote and subsequent adoption was deferred until after 5 July 2024.

Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>[Handbook 6.37 to 6.39]</b>	Mandatory	DPCS published on the website	<b>Complete:</b> The final DPCS was published on the UKEB website after the 18 July 2024 Board meeting.

## Ongoing communications

Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Public Board meetings [Handbook 4.10]</b>	Mandatory	UKEB public meetings held to discuss technical project	<p><b>Complete:</b> The Board approved the Project Initiation Plan (PIP) at its 16 November 2023 meeting.</p> <p>The Board approved the Adoption Package, consisting of the final Endorsement Criteria Assessment (ECA), the Feedback Statement, the [draft] Due Process Compliance Statement and the [draft] Adoption Statement for the Amendments, at its meeting on 24 May 2024.</p>
<b>Secretariat papers [Handbook 4.20]</b>	Mandatory	Board meeting papers posted and publicly available usually no later than 5 working days before a Board meeting.	<p><b>Complete:</b> The UKEB's meeting papers were published on the UKEB website 5 working days before the public meetings.</p> <p>Meeting minutes and recordings were made publicly available via the UKEB website.</p>
<b>Project webpage [Handbook 4.25(b)]</b>	Mandatory	Project webpage contains a project description with up-to-date information on the project.	<b>Complete:</b> The project <a href="#">webpage</a> has been updated regularly on a timely basis.



Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Subscriber Alerts</b> [Handbook 4.24]	Optional	Evidence that subscriber alerts have occurred	<b>Complete:</b> Subscribers were alerted via email 5 days before each Board meeting, with links to the agenda, papers and the option to dial in to observe the discussion.
<b>News Alerts</b> [Handbook 4.24]	Optional	News Alert to announce publication of key documents	<b>Complete:</b> A News Alert was published on 5 January 2024 calling for comments on the DECA.  A News Alert announcing publication of adoption of the Amendments was published on 17 July 2024.

<b>Conclusion</b>
This project complies with the applicable due process steps, as set out in the Handbook at the time of writing.