

# Due Process Compliance Statement: Amendments to IAS 1 Classification of Liabilities as Current or Non-current (Amendments to IAS 1) and Non- current Liabilities with Covenants (Amendments to IAS 1)

Title of the Amendment	Issue dates
<i>Classification of Liabilities as Current or Non-current (Amendments to IAS 1)</i> (2020 Amendments)	<ul style="list-style-type: none"> <li>Exposure Draft ED/2015/1 published on 10/02/2015</li> <li>Final amendment published: 23/01/2020</li> </ul>
<i>Non-current Liabilities with Covenants (Amendments to IAS 1)</i> (2022 Amendments)	<ul style="list-style-type: none"> <li>Exposure Draft ED/2021/9 published on 19/11/2021</li> <li>Final amendment published: 31/10/2022</li> </ul>

**General UKEB requirements:** The UKEB adopts international accounting standards for use within the UK, in accordance with SI 2019/685, and applies its own processes before it decides whether to adopt a new or amended international accounting standard.

Endorsement process			
Step	Mandatory/ optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Work plan</b> [Handbook 4.30(d)]			
<b>Technical project added to UKEB</b>	Mandatory	Project is included in the UKEB published	<b>Complete:</b> The 2020 Amendments were included in the <a href="#">UKEB technical work plan published in December 2020</a> . The 2022 Amendments were

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

Endorsement process			
Step	Mandatory/ optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
technical work plan		technical work plan.	included in the <a href="#">UKEB technical work plan published in November 2022</a> .
<b>Project preparation [Handbook 6.12-6.16]</b>			
<b>Project Initiation Plan (PIP)</b>	Mandatory	PIP draft with project outline (background, scope, project objective) and approach for endorsement and adoption (key milestones and timing) proportionate to the project	<b>Complete:</b> Taking a proportionate approach, the Secretariat included mandatory milestones for the project and considered, as appropriate, other milestones and activities.  The PIP was approved at the 19 January 2023 Board meeting.
	Mandatory	Outreach plan for stakeholders and communication approach outlined	<b>Complete:</b> Due to the narrow-scope of the Amendments, consultation activities were focused solely on obtaining responses to the Draft Endorsement Criteria Assessment (DECA) (as posted on the UKEB website).
	Mandatory	Resources allocated	<b>Complete:</b> One project director supported by one project manager, with communications and economics team support.
	Mandatory	Assessment of whether to set up an ad-hoc advisory group	<b>Complete:</b> Assessed. Taking a proportionate approach, an ad-hoc advisory group was not considered necessary due to the narrow-scope of the Amendments.

Endorsement process			
Step	Mandatory/ optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
	Mandatory	UKEB Board public meeting held to approve PIP	<b>Complete:</b> PIP approved at the 19 January 2023 Board meeting.
	Optional	UKEB education or initial assessment	<b>Complete:</b> While an education session was not provided to the Board, the Board was given an update on the project at the <a href="#">November 2022 Board meeting</a> covering background information on the Exposure Draft (ED) proposals and on the UKEB <a href="#">Final Comment Letter</a> (FCL) to the 2022 Amendments, including an update on the IASB's subsequent redeliberations.
Communications			
<b>Public board meetings</b> [Handbook 4.10]	Mandatory	UKEB Board public meetings held to discuss technical project	<p><b>Complete.</b></p> <p>The Secretariat gave an update to the Board at the November 2022 meeting.</p> <p>19 January 2023: the Board approved the <a href="#">PIP</a>.</p> <p>23 February 2023: the Board reviewed and approved the <a href="#">DECA</a> for consultation.</p> <p>22 June 2023: the Board discussed the formal responses received for DECA.</p> <p>13 July 2023: Approval of the Adoption Package consisting of:</p> <ul style="list-style-type: none"> <li>• Final Endorsement Criteria Assessment (ECA);</li> </ul>

Endorsement process			
Step	Mandatory/ optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
			<ul style="list-style-type: none"> <li>• Feedback Statement;</li> <li>• [Draft] Due Process Compliance Statement; and</li> <li>• [Draft] Adoption Statement for the Amendments</li> </ul>
<b>Secretariat papers</b> [Handbook 4.20]	Mandatory	Board meeting papers posted and publicly available on a timely basis.	<p><b>Complete:</b> The UKEB meeting papers were published on the UKEB website one week before the relevant public meetings and subscribers notified via UKEB News Alerts.</p> <p>Meeting minutes and recordings were made publicly available via the UKEB website. Subscribers were notified via UKEB News Alerts.</p>
<b>Project website</b> [Handbook 4.25(b)]	Mandatory	Project website contains a project description with up-to-date information on the project.	<b>Complete:</b> A <a href="#">project webpage</a> including a project description was created. It was updated regularly with project status and additional materials.
	Mandatory	Update UKEB website	<b>Complete:</b> Project webpage updated regularly, and News Alerts issued to subscribers with latest status and documents.
<b>Alerts</b> [Handbook 4.24]	Mandatory	Evidence that subscriber alerts have occurred	<p><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.</p> <p>News Alerts were also issued, alerting subscribers to the DECA</p>

Endorsement process			
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			publication and adoption of the Amendments
	Mandatory	Project email address	A general UKEB email address was used for outreach and correspondence purposes throughout the duration of the project.
Desk-based research [Handbook 6.17]			
	Optional	Identify relevant research sources and documents	<p><b>Complete:</b> The Secretariat has reviewed:</p> <ul style="list-style-type: none"> <li>• The IASB's work on the Amendments (mainly staff papers and the IFRIC Agenda Decision including discussion with IASB staff)</li> <li>• The Big 4 accounting manuals and separate publications on the Amendments for any guidance and illustrative examples</li> <li>• The IASB's Basis for Conclusions and Dissenting Opinion</li> <li>• Comment letters on the ED received by the IASB from UK stakeholders including the UKEB</li> <li>• Previous work done by the Secretariat (FCL, Feedback Statement, comment letters on our DCL)</li> </ul>
Outreach activities [Handbook 6.18-6.22]			
<b>Consult with a representative</b>	Mandatory	Evidence of consultation	<b>Complete:</b> Due to the narrow-scope of the Amendments, consultation

Endorsement process			
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range of stakeholders before adoption			<p>activities were focused on obtaining responses to the Draft Endorsement Criteria Assessment (DECA). The UKEB received eight comment letters.</p> <p>Comment letters are available on the UKEB website.</p>
Draft Endorsement Criteria Assessment (DECA) [Handbook 6.23-6.29]			
	Mandatory	UKEB sets comment period for response on DECA (generally not less than 90 days)	<p><b>Complete:</b> At 19 January 2023 Board meeting the Board decided that the comment period for public consultation should be no less than 90 days and approved the overall project plan.</p> <p>The DECA was published for consultation on 9 March 2023 (comment period deadline 8 June 2023).</p>
	Mandatory	Review and approval at UKEB public meeting	<p><b>Complete:</b> Approved at 23 February 2023 Board meeting.</p>
	Mandatory	DECA posted on website for public consultation	<p><b>Complete:</b> The Secretariat published the approved <a href="#">DECA</a> and <a href="#">Invitation to Comment</a> on the UKEB website for a 91-day consultation period from 9 March 2023 to 8 June 2023.</p>
	Mandatory	News Alert to announce publication	<p><b>Complete:</b> News Alert posted on 9 March 2023 and 31 May 2023 calling for comments and link to the DECA was sent out to UKEB advisory groups.</p>

Endorsement process			
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<b>Project closure</b> [Handbook 6.30-6.48]			
<b>Final Endorsement Criteria Assessment (ECA)</b>	Mandatory	Public responses on DECA assessed and posted on website	<b>Complete:</b> The UKEB received eight comment letters which were published on the UKEB website.  All responses were assessed, reflected as appropriate in the ECA and summarised in the feedback statement.
	Mandatory	Final ECA approved by UKEB in public meeting	<b>Complete:</b> A draft of the ECA was presented for approval to the Board at its July 2023 public meeting. The Board approved final ECA, subject to suggested amendments.
	Mandatory	Publish final ECA on UKEB website	<b>Complete:</b> Final ECA published on 24 July 2023.
<b>Feedback statement</b>	Mandatory	Feedback statement approved by UKEB in public meeting	<b>Complete:</b> A draft of the feedback statement was presented for approval to the Board at its July 2023 public meeting. The Board approved the final feedback statement, subject to suggested amendments.
	Mandatory	Feedback statement posted on UKEB Website	<b>Complete:</b> Final feedback statement published on 24 July 2023.
	Mandatory	News Alert published to announce publication	<b>Complete:</b> News Alerts announcing the adoption of the Amendments published on 24 July 2023.

Endorsement process			
Step	Mandatory/ optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
Due Process Compliance Statement (DPCS)	Mandatory	Due Process Compliance Statement approved by UKEB in public meeting	<b>Complete:</b> A [draft] DPCS was presented for approval to the Board at its July 2023 public meeting. The final DPCS presented for noting at the Board's September 2023 meeting.
	Mandatory	Due Process Compliance Statement posted on UKEB Website	<b>Complete:</b> The final DPCS published on the UKEB website subsequent to the September 2023 Board meeting.
Adoption Statement	Mandatory	Adoption statements approved by UKEB in public meeting	<b>Complete:</b> Adoption statement for the Amendments was presented for approval to the Board at its July 2023 public meeting
	Mandatory	Adoption statements posted on UKEB Website	<b>Complete:</b> Final Adoption Statement of the Amendments published on 24 July 2023.
	Mandatory	News Alert published to announce publication	<b>Complete:</b> News Alert announcing the adoption of the Amendments published on 24 July 2023.
Voting on adoption of the Amendments	Mandatory	Tentative vote	<b>Complete:</b> Tentative vote took place at the July Board meeting based on the discussion of the 'adoption package', which includes a draft final ECA, a draft feedback statement, a draft DPCS, a draft adoption statement for the Amendments; and the text of the UK-adopted international



Endorsement process			
Step	Mandatory/ optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
			accounting standard (Amendments to IAS 1). Vote was indicative only.
	Mandatory	Evidence of written vote (in paper or electronic form)	<b>Complete:</b> Adoption statement and voting forms sent to the Board for voting (accompanied by the text of the Amendments to be adopted) on 14/7/23 (written forms due by 21/7/23).  Vote formalised via Board members signing the formal voting forms for the Amendments.
	Mandatory	News Alert published to announce the outcome of the vote within 3 working days of the formal vote	<b>Complete:</b> News Alert announcing the adoption of the Amendments published on 24 July 2023.

Conclusion
This document sets out the main due process activities performed as part of the UKEB’s project to endorse the Amendments. Overall, this project complies with the applicable due process steps, as set out in the Handbook at the time of writing.