

Minutes of the UKEB's Public Session held on 20 October 2022 at 10:00 hrs at 1 Victoria Street, London, SW1H 0ET

The UKEB met for the public session on 20 October 2022. The video recording of the meeting and the agenda papers have been made available on the UKEB's website.

PRESENT:

Name	Designation
Pauline Wallace	Chair
Amir Amel-Zadeh	Member
Phil Aspin	Member
Katherine Coates	Member
Robin Cohen	Member
Paul Lee	Member
Giles Mullins	Member
Liz Murrall	Member
Sandra Thompson	Member
Michael Wells	Member
Andrew Death	Observer from The Department for Business, Energy and Industrial Strategy (BEIS)
Alexander Owen	Alternate Observer from the Financial Reporting Council (FRC/CRR)
Richard Cannon	Observer from Her Majesty's Revenue and Customs (HMRC)
Andrew Murray	Alternate Observer from the Bank of England (BoE)
Lee Piller	Alternate Observer from the Financial Conduct Authority (FCA)

The topics discussed at that meeting, in order of discussion, were:

Welcome and Apologies

The Chair noted that the meeting was being recorded and the recording would be published on the UKEB website after the meeting.

The Board noted apologies from Mike Ashley, Kathryn Cearns and Edward Knapp.

Declarations of Interest

The Board noted a declaration of interest from Phil Aspin, whose employer carries out rate-regulated activities.

Due Process Handbook – Discussion of Revised Due Process Handbook

The Board discussed the revised Draft Due Process Handbook (the “Handbook”), which addressed the comments and proposed amendments from the previous Board meetings in July 2022 and September 2022.

Following its discussions, the Board held a vote and all ten Members present voted in favour of the Handbook’s publication once it is finalised, subject to additional amendments discussed during the meeting.

The Board thanked the Secretariat team for their work on the Handbook. It was agreed that the Secretariat will share a final revised version of the Handbook with the Board for a fatal flaws review, before publishing it in November 2022.

Endorsement and Adoption

Economic impact assessment of narrow-scope amendments – proposed strategy

The Board considered the proposed final strategy and approach for economic impact assessments of endorsement projects and narrow-scope amendments (NSAs). It was noted that there is a requirement by statute on the UKEB to conduct economic impact assessments for endorsement projects. Whilst the UKEB was not a ‘relevant regulator’ required to undertake impact assessments in accordance with the Better Regulation Framework, the Board had agreed that the UKEB would benefit from alignment with this model. It was noted that a bespoke approach would be applied for significant endorsement projects, and a standardised approach would be applied to NSAs.

The Board discussed the scope of the proposed strategy and approach, particularly on ensuring that any assessments and surveys conducted are proportionate. It also noted that consideration would need to be made to ensure that companies/organisations surveyed are representative of stakeholders that would be impacted by the relevant project/NSA under assessment.

The Board approved the proposed strategy and approach, subject to the considerations of comments discussed during the meeting.

Thought Leadership

Research Project on Intangibles – Draft Report, amended PIP and response to EFRAG

The Board discussed the draft of the first half of the report from the Qualitative Research Project on Intangibles. It also considered the amended Project Initiation Plan (PIP), and the proposed response letter to the EFRAG report Better Reporting on Intangibles.

The Board discussed the draft report and its comments focused on adding further clarity to the language and wording in relation to various topics covered in the report. The Board noted that the second half of the report would be brought to its next meeting in November 2022.

The Board considered the amended PIP including proposed changes to the project timeline. The Board noted that the PIP has been updated to reflect the agreed scope of the research

and the relevant provisions of the current draft Due Process Handbook. It was noted that the UKEB's ability to influence the IASB project was not expected to be impaired by the updated timeline in the PIP. The Board approved the revised PIP.

The Board considered the draft response letter to the EFRAG report Better Reporting on Intangibles. The Board was informed that the UKEB has had ongoing engagement with the EFRAG team on the work undertaken so far (including inviting EFRAG to some stakeholder interviews). The Board approved the letter, subject to minor amendments, for final approval and signature by the Chair.

Ongoing Monitoring of ISSB Projects

Sustainability Standards-related Update

The Board considered an update on the ISSB's current projects and activities to date. The Board received a summary of the outcomes of the ISSB's September meeting and a summary of agenda topics and staff recommendations for the ongoing ISSB October meeting. It was noted that the ISSB had reviewed a summary of stakeholder comments received on the exposure drafts for IFRS S1 and IFRS S2 and tentatively decided on topics for redeliberation. It was also noted that the ISSB intends to publish both final standards as early as possible in 2023.

The Board noted that sustainability has been a major topic at the three international accounting events held in September, World Standard Setters (WSS) Conference, the International Forum of Accounting Standard Setters (IFASS) and the Accounting Standards Advisory Forum (ASAF). The Chairs of both the IASB and ISSB had addressed the attendees of the World Standard-setters Conference on the issue of sustainability and referenced the potential for joint projects between the IASB and ISSB. The importance of interoperability of standards produced by both boards was also discussed. During the International Forum for Accounting Standard Setters (IFASS), EFRAG had noted that the issue on whether the European Commission might grant equivalence for ISSB standards was yet to be determined. The Canadian Sustainability Standards Board (CSSB) was in the process of being set up and intended to be operational by April 2023.

Ongoing Monitoring of IASB Projects

IASB General Update

The Board considered various updates on IASB projects that the Secretariat team has been monitoring, including the work of the IFRS Interpretations Committee. Updates on the following topics were noted and discussed by the Board:

1. Contractual Cash Flow Characteristics of Financial Assets (Amendments to IFRS 9)
2. Post-implementation Review of IFRS 9 – Classification and Measurement
3. Post-implementation Review of Hedge Accounting – IFRS 9 and IFRS 16
4. Financial Instruments with Characteristics of Equity
5. Goodwill and Impairment
6. Primary Financial Statements
7. Equity Method
8. Rate Regulated Activities

- 9. Extractive Activities
- 10. IFRS Interpretations Committee

Any other business

There was no other business discussed.

The meeting ended at 14:40 hrs.