

Due Process Compliance Statement: *Supplier Finance Arrangements* (Amendments to IAS 7 and IFRS 7)

Title of the Amendment	Issue dates
<i>Supplier Finance Arrangements</i> (Amendments to IAS 7 and IFRS 7)	<ul style="list-style-type: none"> Exposure Draft ED/2021/10 issued: 26 November 2021. Final amendments issued: 25 May 2023. Effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

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 ¹	Metrics or evidence	UKEB Secretariat comments
Work plan [Handbook 4.30(d)]			
Technical project added to UKEB technical work plan	Mandatory	Project is included in the UKEB published technical work plan	Complete: the Amendments were included in the UKEB technical work plan published in May 2023 .
Project preparation [Handbook 6.12-6.16]			
Project Initiation Plan (PIP)	Mandatory	PIP with draft project outline (background, scope, project	Complete: Taking a proportionate approach, the PIP included mandatory milestones for the project and

¹ In accordance with the [Due Process Handbook \(the Handbook\)](#).

Endorsement process			
Step	Mandatory/ optional ¹	Metrics or evidence	UKEB Secretariat comments
		objective) and approach for endorsement and adoption (key milestones and timing) proportionate to the project.	considered, as appropriate, other milestones and activities. The PIP was approved at the 18 May 2023 Board meeting.
	Mandatory	Outreach plan for stakeholders and communication approach outlined	Complete: 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. The PIP (referred to above) included the outreach plan and approach.
	Mandatory	Resources allocated	Complete: One Project Director supported by a Project Manager, with oversight provided by one Senior Project Director and with communications and economics team support.
	Mandatory	Assessment of whether to set up an ad-hoc advisory group	Complete: Assessed. The narrow-scope of the Amendments meant that setting up an ad-hoc advisory group was not considered to be proportionate approach.
	Mandatory	UKEB Board public meeting	Complete: The PIP was approved at the 18 May 2023 Board meeting.

Endorsement process			
Step	Mandatory/ optional ¹	Metrics or evidence	UKEB Secretariat comments
		held to approve PIP	
	Optional	UKEB education or initial assessment	<p>Complete: The Board received an education session on the Exposure Draft of the Amendments in December 2021.</p> <p>The Board was provided with updates on the IASB redeliberations at its December 2022, February 2023 and March 2023 Board meetings.</p>
Communications			
<p>Public board meetings [Handbook 4.10]</p>	Mandatory	UKEB Board public meetings held to discuss technical project.	<p>Complete:</p> <p>The Board approved the Project Initiation Plan (PIP) at its 18 May 2023 meeting.</p> <p>It approved the draft ECA for consultation at its 13 July 2023.</p> <p>An update on stakeholder feedback received on the DECA was provided to the Board at its 19 October 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 (DPCS) and the [draft] Adoption Statement for the Amendments, at its meeting on 16 November 2023.</p> <p>The final DPCS was presented for noting at the Board's 14 December 2023 meeting.</p>

Endorsement process			
Step	Mandatory/ optional ¹	Metrics or evidence	UKEB Secretariat comments
Secretariat papers [Handbook 4.20]	Mandatory	Board meeting papers posted and publicly available on a timely basis.	Complete: The UKEB's meeting papers were published on the UKEB website one week before the public meetings. Meeting minutes and recordings were made publicly available via the UKEB website. Subscribers notified via UKEB News Alerts
	Mandatory	Project webpage contains a project description with up-to-date information on the project.	Complete: A webpage was created containing key project information.
Project webpage [Handbook 4.25(b)]	Mandatory	Update UKEB webpage	Complete: The project webpage has been updated regularly on a timely basis.
	Mandatory	Evidence that subscriber alerts have occurred	Complete: Subscribers were alerted via email 5 working days before each Board meeting, with links to the agenda, papers and the option to dial in to observe the discussion. News Alerts were also issued, alerting subscribers to the publication of the DECA and adoption of the Amendments.
Subscriber alerts [Handbook 4.24]	Mandatory	Project email address	A general UKEB email address was used for outreach and correspondence purposes throughout the duration of the project.

Endorsement process			
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Desk-based research [Handbook 6.17]			
Desk-based research [Handbook 6.17]	Optional	Identify relevant research sources and documents	<p>Complete: the Secretariat has reviewed:</p> <ul style="list-style-type: none"> • The IASB’s work on the Amendments, mainly the IASB’s Exposure Draft (ED) including its Basis for Conclusions, the IASB staff papers and a related IFRIC Agenda Decision; • Comment letters on the ED received by the IASB from UK stakeholders including the UKEB; • Previous work done by the UKEB (including early desk-based research and comment letters on the UKEB Draft Comment Letter); • Relevant material produced by other parties (including accounting firms and the FRC, such as a CRR Thematic Review and a report from The Lab); • Other standard-setters’ views; and • The IASB’s final Amendments.
Outreach activities [Handbook 6.18-6.22]			
Consult with a representative range of stakeholders before adoption	Mandatory	Evidence of consultation	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, including some who had previously provided feedback to the IASB and/or UKEB. A summary of

Endorsement process			
Step	Mandatory/ optional ¹	Metrics or evidence	UKEB Secretariat comments
			<p>outreach activities is presented in the Feedback Statement.</p> <p>The UKEB received eight formal comment letters in response to its Invitation to Comment.</p> <p>All comment letters received were published on the UKEB website.</p>
Draft Endorsement Criteria Assessment (DECA) [Handbook 6.23-6.29]			
DECA [Handbook 6.23 to 6.29]	Mandatory	UKEB sets comment period for response on DECA (generally not less than 90 days)	<p>Complete: At its May 2023 meeting the Board decided that the DECA would be issued for comment for 90 days and approved the overall project plan.</p> <p>The DECA was published for consultation for 90 days on 20 July 2023 (comment period deadline: 18 October 2023).</p>
	Mandatory	Review and approval at UKEB public meeting	<p>Complete: The DECA was reviewed and approved at the Board meeting on 13 July 2023.</p>
	Mandatory	DECA posted on website for public consultation	<p>Complete: The Secretariat published the approved DECA and Invitation to Comment on the UKEB website for a 90-day consultation period from 20 July 2023 to 18 October 2023.</p>
	Mandatory	News Alert to announce publication	<p>Complete: A News Alert was published on 20 July 2023 calling for comments. Additional communications were shared by the FRC on behalf of the UKEB. A link to the DECA was sent out to UKEB advisory groups (Accounting Firms and Institutes Advisory Group, Investor Advisory Group and Preparer</p>

Endorsement process			
Step	Mandatory/ optional ¹	Metrics or evidence	UKEB Secretariat comments
			Advisory Group) and to the UKEB Financial Instruments Working Group.
Project finalisation and project closure [Handbook 6.30-6.48]			
Final Endorsement Criteria Assessment (ECA)	Mandatory	Public responses on DECA assessed and posted on website	Complete: The UKEB received eight 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.
	Mandatory	Final ECA approved by UKEB in public meeting	Complete: A draft of the final ECA was presented for approval to the Board at its 16 November 2023 public meeting. The Board approved the final ECA, at that meeting.
	Mandatory	Publish final ECA on UKEB website	Complete: The final ECA was published on the UKEB website on 30 November 2023.
Feedback statement	Mandatory	Feedback statement approved by UKEB in public meeting	Complete: A draft of the Feedback Statement was presented for approval to the Board at its 16 November 2023 public meeting. The Board approved the final Feedback Statement, subject to editorial changes.
	Mandatory	Feedback statement posted on UKEB Website	Complete: The final Feedback Statement was published on the UKEB website on 30 November 2023.
	Mandatory	News Alert published to announce	Complete: A News Alert announcing publication of the adoption of the Amendments was published on 30

Endorsement process			
Step	Mandatory/ optional ¹	Metrics or evidence	UKEB Secretariat comments
		publication	November 2023.
Due Process Compliance Statement (DPCS)	Mandatory	Due Process Compliance Statement approved by UKEB in public meeting	Complete: A draft DPCS was presented for approval to the Board at its 16 November 2023 public meeting. The final DPCS was presented for noting at the Board's 14 December 2023 meeting.
	Mandatory	Due Process Compliance Statement posted on UKEB Website	Complete: The final DPCS was published on the UKEB website subsequent to the 14 December 2023 Board meeting.
Adoption Statement	Mandatory	Adoption statements approved by UKEB in public meeting	Complete: The Adoption Statement for the Amendments was approved by the Board at its 16 November 2023 public meeting.
	Mandatory	Adoption statements posted on UKEB Website	Complete: The final Adoption Statement for the Amendments was published on 30 November 2023.
	Mandatory	News Alert published to announce publication	Complete: The News Alert announcing adoption of the Amendments was published on 30 November 2023.
Voting on adoption of the Amendments	Mandatory	Tentative vote	Complete: Tentative vote took place at the 16 November 2023 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

Endorsement process			
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			Amendments and the text of the UK-adopted international accounting standard (<i>Supplier Finance Arrangements</i> Amendments to IAS 7 and IFRS 7). The vote was indicative only.
	Mandatory	Evidence of written vote (in paper or electronic form).	Complete: The Adoption Statement and voting forms were sent to the Board for voting (accompanied by the text of the Amendments to be adopted) on 21 November 2023 (written forms due by noon 28 November 2023). The vote was formalised by 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	Complete: The announcement of the adoption of the Amendments was published on the UKEB website on 30 November 2023. The News Alert announcing adoption of the Amendments was published on 30 November 2023.

Conclusion
<p>This document sets out the main due process activities performed as part of the UKEB's project to endorse the Amendments.</p> <p>In the Board's opinion, overall, this project complies with the applicable due process steps, as set out in the Handbook at the time of writing.</p>