

Due Process Compliance Statement: *Lease Liability in a Sale and Leaseback—* Narrow-scope Amendments to IFRS 16

Title of the Amendment	Issue dates
Lease Liability in a Sale and Leaseback Amendments to IFRS 16	<ul style="list-style-type: none"> Exposure Draft ED/2020/4 published on 30/11/2020 Final amendment published: 22/09/2022 Effective date 1 January 2024

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 October 2022 .
Project preparation [Handbook 6.12-6.16]			
Project Initiation Plan (PIP)	Mandatory	PIP draft with project outline (background, scope, project objective) and approach for	Complete: taking a proportionate approach, the Secretariat included mandatory milestones for the project and considered, as appropriate, other milestones and activities.

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

Endorsement process			
Step	Mandatory/ optional ¹	Metrics or evidence	UKEB Secretariat comments
		endorsement and adoption (key milestones and timing) proportionate to the project	The PIP was approved at the 17 November 2022 Board meeting.
	Mandatory	Outreach plan for stakeholders and communication approach outlined	Complete: Due to the narrow-scope nature 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	Complete: 1 project manager supported and overseen by 1 senior project director.
	Mandatory	Assessment of whether to set up an ad-hoc advisory group	Complete: Assessed. Taking a proportionate approach, an ad-hoc advisory group was not considered necessary due to the narrow-scope nature of the Amendments.
	Mandatory	UKEB Board public meeting held to approve PIP	Complete: PIP approved at 17 November 2022 Board meeting.
	Optional	UKEB education or initial assessment	Complete: Whilst an education session was not organised, the Board was provided with an update on the project at the September 2022 Board meeting covering background information on the Exposure Draft (ED) proposals and on the UKEB Final Comment Letter (FCL), including an update on the

Endorsement process			
Step	Mandatory/ optional ¹	Metrics or evidence	UKEB Secretariat comments
			IASB's subsequent redeliberations.
Communications			
Public board meetings [Handbook 4.10]	Mandatory	UKEB Board public meetings held to discuss technical project	<p>Complete.</p> <p>The Secretariat gave an update to the Board at the September 2022 meeting.</p> <p>17 November 2022: the Board approved the PIP.</p> <p>14 December 2022: the Board reviewed and approved the DECA for consultation.</p> <p>27 April 2023: Approval of the Adoption Package consisting of:</p> <ul style="list-style-type: none"> • Final Endorsement Criteria Assessment (ECA) • Feedback Statement • [Draft] Due Process Compliance Statement • [Draft] Adoption Statement for the Amendments
Secretariat papers [Handbook 4.20]	Mandatory	Board meeting papers posted and publicly available on a timely basis.	<p>Complete: 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>
Project website [Handbook	Mandatory	Project website contains a project description	Complete: The project webpage was created in September 2022. It is updated regularly with project status

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4.25(b)]		with up-to-date information on the project.	and additional materials.
	Mandatory	Update UKEB website	Complete: Project webpage updated regularly, and News Alerts issued to subscribers with latest status and documents.
Alerts [Handbook 4.24]	Mandatory	Evidence that subscriber alerts have occurred	Complete: 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. A News Alert was also issued, alerting subscribers to the DECA publication.
	Mandatory	Project email address	A general UKEB email address was used for outreach and correspondence purposes throughout the duration of the project.

Endorsement process			
Step	Mandatory/ optional ¹	Metrics or evidence	UKEB Secretariat comments
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 staff papers, IFRIC Agenda Decision including discussion with IASB staff) • The Big 4 accounting manuals and separate publications on the Amendments for any guidance and illustrative examples • The IASB’s Basis for Conclusions and Dissenting Opinion • Comment letters on the ED received by the IASB from UK stakeholders including the UKEB • Previous work done by the Secretariat (FCL, Feedback Statement, comment letters on our DCL)
Outreach activities [Handbook 6.18-6.22]			
Consult with a representative range of stakeholders before adoption	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). The UKEB received six comment letters. Comment letters are available on the UKEB website.</p>

Endorsement process			
Step	Mandatory/ optional ¹	Metrics or evidence	UKEB Secretariat comments
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)	Complete: At 17 November 2022 Board meeting the Board decided that the comment period for public consultation should be 90 days and approved the overall project plan. The DECA was published for consultation on 5 January 2023 (comment period deadline 5 April 2023).
	Mandatory	Review and approval at UKEB public meeting	Complete: Approved at 14 December 2022 Board meeting.
	Mandatory	DECA posted on website for public consultation	Complete: The Secretariat published the approved DECA and Invitation to Comment on the UKEB website for a 90-day consultation period from 5 January 2023 to 5 April 2022.
	Mandatory	News Alert to announce publication	Complete: News Alert posted on 5 January 2023 calling for comments and link to the DECA was sent out to UKEB advisory groups.
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 six 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.

Endorsement process			
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	Mandatory	Final ECA approved by UKEB in public meeting	Complete: A draft of the ECA was presented for approval to the Board at its April 2023 public meeting. The Board approved the final ECA, subject to suggested amendments.
	Mandatory	Publish final ECA on UKEB website	Complete: Final ECA published on 16 May 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 April 2023 public meeting. The Board approved the final feedback statement, subject to minor editorial changes.
	Mandatory	Feedback statement posted on UKEB Website	Complete: Final feedback statement published on 16 May 2023.
	Mandatory	News Alert published to announce publication	Complete: News Alert announcing adoption of the Amendments published on 16 May 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 April 2023 public meeting. Final DPCS presented for noting at the Board's June 2023 meeting.
	Mandatory	Due Process Compliance Statement	Complete: Final Due Process Compliance Statement published on UKEB website subsequent to the

Endorsement process			
Step	Mandatory/ optional ¹	Metrics or evidence	UKEB Secretariat comments
		posted on UKEB Website	22 June 2023 Board meeting.
Adoption Statement	Mandatory	Adoption statements approved by UKEB in public meeting	Complete: Adoption statement for the Amendments was presented for approval to the Board at its April 2023 public meeting.
	Mandatory	Adoption statements posted on UKEB Website	Complete: Final Adoption statement of the Amendments published on 16 May 2023.
	Mandatory	News Alert published to announce publication	Complete: News Alert announcing adoption of the Amendments published on 16 May 2023.
Voting on adoption of the Amendments	Mandatory	Tentative vote	Complete: Tentative vote took place at the April Board meeting based on the discussion of the 'adoption package', which included a draft final ECA, a draft feedback statement, a draft due process compliance statement, a draft adoption statement for the Amendments, and the text of the UK- adopted international accounting standard (Amendments to IFRS 16). Vote was indicative only.
	Mandatory	Evidence of written vote (in paper or electronic form).	Complete: Adoption statement and voting forms sent to the Board for voting (accompanied by the text of the Amendments to be adopted) on 4/5/23 (written forms due by 11/5/23). Vote formalised via Board members signing the formal voting forms.

Endorsement process			
Step	Mandatory/ optional ¹	Metrics or evidence	UKEB Secretariat comments
	Mandatory	News Alert published to announce the outcome of the vote within 3 working days of the formal vote	Complete: News Alert announcing adoption of the Amendments published on 16 May 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.