

Regulatory Strategy 2023/24

Executive Summary

Project Type	Regulatory Strategy 2023/24
Project Scope	Significant
Purpose of the paper	
The purpose of this paper is to present UKEB's Regulatory Strategy 2023/24 and consultation Feedback Statement to the Board for consideration and approval.	
Summary of the Issue	
<p>At the October 2022 Board meeting the UKEB approved the publication of the draft Regulatory Strategy 2023/24 for stakeholder consultation. The UKEB's draft budget was also approved at the same meeting. The consultation ran for 6 weeks from 16 December 2022 to 27 January 2023 and was timed to run concurrently with the FRC's consultation on its Plan and Budget, which includes the UKEB budget.</p> <p>The UKEB's consultation elicited four comment letters from stakeholders (Deloitte, EY, PwC and ICAEW). The responses were supportive of the UKEB's strategy and direction overall and included some specific feedback. All four letters were published on the UKEB website. This paper presents the proposed final Regulatory Strategy (Appendix A) and a Feedback Statement (Appendix B) summarising the key changes to the UKEB's Regulatory Strategy 2023/24 in response to the feedback received. Following Board approval, both documents will be published on the UKEB website.</p>	
Decisions for the Board	
<p>The Board is asked to consider the following:</p> <ol style="list-style-type: none">1. Approve the Regulatory Strategy 2023/24;2. Approve the consultation Feedback Statement.	
Recommendation	
We recommend that the Board approves the Regulatory Strategy 2023/24 and Feedback Statement.	
Appendices	
Appendix A Regulatory Strategy 2023/24 (tracked change and clean versions)	
Appendix B Feedback Statement	
Appendix C Comment Letters Received	

Regulatory Strategy 2023/24



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I. Introduction

The financial year 2022/23 was the UKEB's first full year of operation, following delegation of our statutory functions in May 2021, and it proved to be a very busy one. We continued to address the twin challenges of fulfilling our statutory functions at the same time as we were implementing and embedding a robust governance and due process framework and enhanced stakeholder engagement strategy. As the summary below shows, we were able to balance these competing demands on our limited resources effectively.

Highlights of the UKEB's achievements in this past year include the following:

- Finalising the adoption of IFRS 17 *Insurance Contracts*. UK registered companies will be able to use the standard for financial years beginning on or after 1 January 2023, the effective date set by the International Accounting Standards Board (IASB).
- Adopting six narrow scope amendments to IFRS and three minor annual improvement items issued by the IASB.
- Monitoring the IASB's redeliberation of live standard setting projects and influencing their debate, particularly through active participation in discussions at the IASB's Accounting Standards Advisory Forum (ASAF).
- Publishing two research papers on Goodwill and Impairment, and Intangibles. We presented our research on Goodwill and Impairment at a number of international meetings of standard setters, including a presentation to the IASB and other national standard setters at the September ASAF meeting.
- Developing, consulting on and finalising the UKEB's due process handbook. It sets out the due process we expect to follow when undertaking our work and will help to ensure that we meet our statutory responsibilities and adhere to our guiding principles of accountability, independence, transparency and thought leadership.
- Implementing and embedding a robust governance and risk management framework.
- Developing our stakeholder engagement and communications strategy and enhanced digital output.

The Memorandum of Understanding between the UKEB, the Secretary of State for Business, Energy and Industrial Strategy (BEIS)¹ and the FRC requires us to consider any additional areas of work when requested to do so by the Secretary of State. During the year, the Secretary of State asked us to respond to the ISSB on its exposure drafts (S1

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2022/23 has been a very successful year for the UKEB and I am grateful for the enthusiasm and energy the Board and Secretariat have shown. Considering the variety of projects on our expected workplan, as set out in this Regulatory Strategy for the forthcoming year, 2023/24 promises to be another busy and productive year and we are looking forward to the challenge.²

Pauline Wallace

Chair

² For operational reasons the UKEB's 2023/24 budget is included in the FRC 3 Year Plan 2023-26. Our budget is designed to ensure that we have adequate resource to enable us to fulfil our statutory objectives and deliver on our regulatory strategy.

2. Our Purpose

The UKEB was established with a specific mission and vision, to be achieved via a core set of values as outlined below.

2.1 Mission

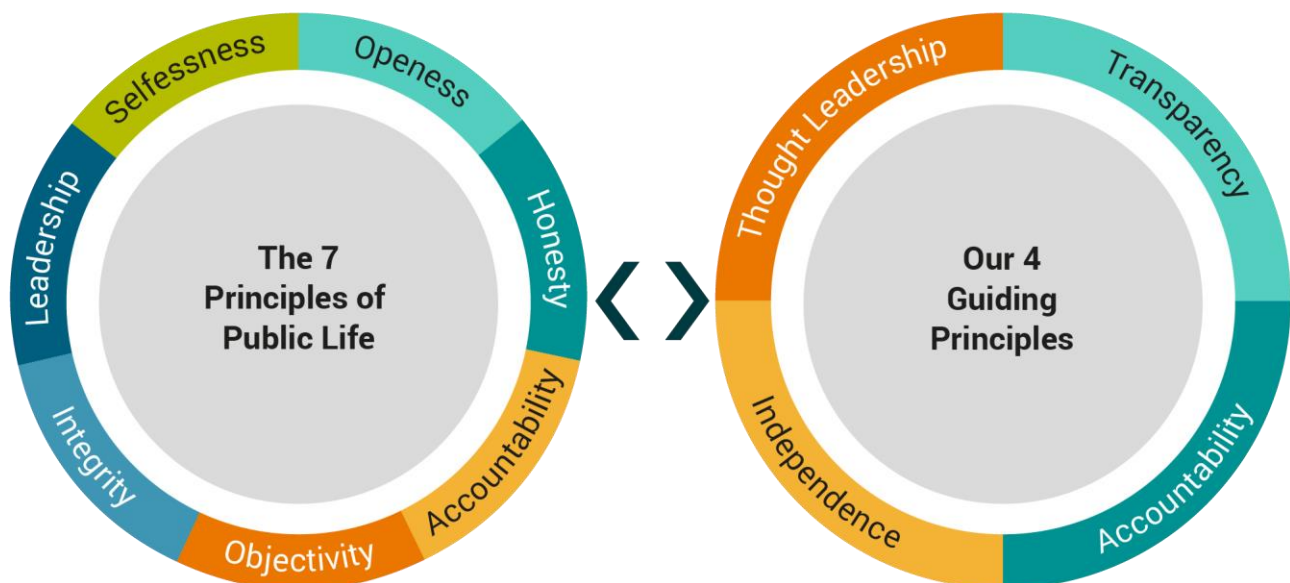
To serve the UK public good by leading the development and synthesis of UK views on financial reporting and representing them in the international arena, ensuring that the UK's voice is influential in the development of high-quality international accounting standards that are suitable for adoption in the UK.

2.2 Vision

To maintain the high quality of UK financial reporting that underpins confidence in the UK's capital markets and reinforces its reputation for transparency.

2.3 Values

The UKEB operates in the public interest, following the seven principles of public life and our four guiding principles.



3. Strategic Objectives

The UKEB's strategic objectives emanate from its statutory functions, as delegated to it by the Secretary of State for the Department for Business, Energy and Industrial Strategy (BEIS) in May 2021.

3.1 Statutory functions

The statutory functions of the UKEB are to:

- a) participate in, and contribute to, the development of a single set of international financial reporting standards; and
- b) adopt international accounting standards when they meet the criteria in Statutory Instrument 2019/685 'The International Accounting Standard and European Public Limited-Liability Company (Amendments etc.)(EU Exit) Regulations 2019'.

The objectives for adoption of IFRS for use in the UK are to ensure:

- a) a high degree of transparency and international comparability of financial statements; and
- b) the efficient allocation of capital, including the smooth functioning of capital markets in the UK.

3.2 Strategic objectives 2023/24

The strategic objectives will enable the UKEB to deliver against its statutory functions, in accordance with its stated mission, vision and values. The UKEB's three-year strategy for the period 2022-25 was published in March 2022 following consultation. In this second year of the three-year strategy, the UKEB's strategic objectives remain unchanged and it will continue to build on the previous year's work on achieving those objectives. The current year's objectives are outlined below.

3.2.1 Influencing

The UKEB will take a principles-based, proactive and pragmatic approach to influencing the IASB and other global players, to help ensure the development of high-quality financial reporting standards that promote transparency and comparability of financial information, and the smooth functioning of capital markets. In particular, it will:

- a) aim to influence the IASB at the beginning of its standards development cycle, providing evidence-based recommendations and thought leadership on emerging issues from a UK perspective.

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- b) conduct stakeholder engagement with key stakeholder groups on a flexible and proportionate basis, aimed at ensuring the quality and persuasiveness of information shared.
 - c) raise the UKEB's domestic and international profile by:
 - i. working with the advisory groups to ensure regular and timely input and interaction with UK stakeholders;
 - ii. further developing our relationship with the IASB through active participation in the IASB's Accounting Standards Advisory Forum;
 - iii. participating in other international financial reporting groups and collaborate with those who share our goal of high-quality financial reporting; and
 - iv. ensuring effective utilisation of an enhanced communications strategy and website to help deliver to the UKEB's accountability and transparency principles.
 - d) showcase UK thought leadership and research by:
 - i. ensuring research is a key component of the UKEB's evidence-based and persuasive influencing and thought leadership activities to identify the key issues to be addressed during the development of a standard on a particular topic, allowing for more focused deliberations;
 - ii. developing an active research programme aimed at addressing new and emerging issues in international accounting, with a particular focus on topics included in (or likely to be included in) the IASB's long-term agenda; and
 - iii. amplifying the research outcomes by sharing them with the IASB and other international partners.

3.2.2 Adoption of standards for use in the UK

The UKEB will aim to assess all new and amended international standards for adoption in the UK on a timely basis. In particular, it will:

- a) assess new standards and amendments against the statutory adoption criteria;
- b) conduct proportionate stakeholder engagement to ensure that the practical implications of implementation of those standards and amendments for UK companies, their investors and other stakeholders have been appropriately established and assessed;
- c) liaise with IASB staff and board members to ensure a full understanding of the technical issues and bases for conclusions; and

-
- d) monitor the endorsement work of other national standard setters to ensure that all issues relevant to the assessment of the impact of the standard on the long-term UK public good have been identified.

3.2.3 Operations framework

Maintaining a robust operations framework is key to ensuring the requisite level of support to facilitate achievement of the influencing and adoption objectives detailed in sections 3.2.1 and 3.2.2 above. The core objectives are to:

- a) provide the UKEB with the support it requires to fulfil its statutory functions, aligned with the culture and values of the organisation;
- b) collaborate effectively with the FRC in its role as the UKEB's outsourced services provider;
- c) continue to embed UKEB's enhanced stakeholder engagement capability, including a comprehensive communications strategy and plan, and enhanced digital output;
- d) maintain tight budgetary control, aligned to the principles of Managing Public Money.

4. Measuring Success

The UKEB will monitor progress in implementing its strategic objectives in a variety of ways.

Progress in influencing the development of international accounting standards is not susceptible to measurement via key performance indicators and will instead be assessed through:

- [our regular monitoring of IASB projects;](#)
- [our contributions at international standard setting forums including at the IASB's Accounting Standards Advisory Forum \(ASAF\);](#) and
- [our interaction with other national and regional standard setters, bilaterally as well as via contributions at meetings such as International Forum of Accounting Standard Setters \(IFASS\).](#)

Other objectives will be monitored via key performance indicators in the following core areas:

- Compliance with the governance framework, based upon requirements set out in the Memorandum of Understanding, Terms of Reference and Service Level Agreement;
- Compliance with the Due Process Handbook in delivering to the technical workplan;
- Effective management of outsourced services;
- Actual costs in line with agreed budget/ forecast and adhering to Managing Public Money principles.

The Board will also ensure that its risk landscape is understood and managed appropriately. This will involve identifying, mitigating and monitoring key risks that would otherwise impede the UKEB's ability to achieve its strategic objectives and, therefore, to effectively perform its statutory functions.

[Additional indicators of the Board's overarching effectiveness in meeting its statutory objectives are incorporated in the following annual reports:](#)

- [Annual Board Effectiveness Review;](#)
- [A report to the Secretary of State setting out how the Board has discharged its delegated functions;](#)
- [A report to the FRC setting out how the Board has fulfilled its governance and due process responsibilities.](#)

5. Workplan

As the UKEB's statutory functions relate to influencing the IASB during the development of new and amended International Financial Reporting Standards (IFRS) and the subsequent adoption of those standards, the work plan is necessarily focused on the projects on the IASB's current and future agenda, or those issued standards and amendments requiring adoption for use in the UK.

Looking ahead to 2023/24

This year the UKEB's workplan includes adoption projects, influencing projects that relate to projects on the IASB's current workplan, some aspects of the ISSB workplan, and the UKEB's pro-active research work. Given the need to align our work programme with that of the IASB, several of the projects listed on the 2022/23 workplan did not commence during the year as the IASB had not commenced its project or issued any due process documents. Consequently, these have either been included in the 2023/24 workplan or will be rolled forward to the UKEB workplans for future years. Where the IASB has deferred projects to later periods this has been reflected in the UKEB's expected timeline for undertaking those projects.

[The need for flexibility in our workplan has been highlighted by two recent changes to the IASB's plans i.e. the urgent standard setting project relating to implementation of the International Tax Reform – Pillar Two Model Rules and the decision to bring forward the effective date of amendments relating to Supplier Finance Arrangements. Both decisions will have an impact on our 2023/24 workplan.](#)

Endorsement and adoption projects

To enable UK companies to prepare for use of a new standard by the effective date, the endorsement and adoption process must commence in good time. This is particularly crucial for companies that have dual-listed status (in the US, for example) where the listing authorities require foreign registrants to use full IFRS as issued by the IASB. The UK legislative framework prescribes the process for the adoption of new standards. It is multi-faceted, requiring consideration from accounting, technical, economic and legal perspectives. In addition, it stipulates consultation with stakeholders. As a result, the adoption process is labour-intensive, requiring a long lead-in time to prepare for the formal adoption, including ensuring adequate time is permitted to enable a full consideration of all relevant UK-specific issues and legal implications, project-specific stakeholder outreach and input, as well as regular engagement at Board level.

IASB workplan

Whilst the Feedback Statement on the IASB's Agenda Consultation was published in July 2022, the likely commencement date for the new projects added to the IASB's pipeline is not expected to become clear until after Q1 2023. Therefore, the UKEB's planned influencing activities for 2023/24 will continue to be agile to address any subsequent changes to the IASB's workplan. The proposed UKEB workplan for 2023/24 below includes both projects currently on the IASB workplan and the key new projects expected to be added over the coming months.

ISSB workplan

The UKEB is also expecting to undertake some projects included on the ISSB's workplan. This is in line with the request from the Secretary of State for the UKEB to consider and provide views to the ISSB on its work from the UKEB's perspective as the body with responsibility for endorsing and adopting international accounting standards, including how the sustainability standards interact with accounting standards issued by the IASB.

UKEB research

The workplan includes some activities relating to research. These are necessary to fulfil the UKEB's thought leadership guiding principle and relate to priority areas of future development, i.e. research relating to goodwill, intangible assets and reporting climate-related matters in financial statements. In addition, some capacity to support the IASB in ad hoc, country-specific research is also necessary as it is key to effective, early influencing of the IASB's projects.

UKEB stakeholder engagement

The workplan also allocates time to formal stakeholder engagement through the Board's advisory groups, via attendance at international meetings, for example the IASB's Accounting Standards Advisory Forum (ASAF), and other ad-hoc stakeholder engagement. In addition, in response to calls from stakeholders, the UKEB will consider opportunities for improving its stakeholder offerings in relation to web-based outreach activities and educational materials on active projects.

UKEB Expected Workplan 2023/24

UKEB Expected Workplan 2023/24		Expected Workload	Project-Confirmed per IFRS Foundation Workplan Expected timing of UKEB work ³
Adoption Projects			
1	Primary Financial Statements (waiting for IASB to publish a revised standard)	Significant	2024
2	Rate-regulated Activities (waiting for IASB to publish a new standard)	Significant	2023–24
3	Disclosure Initiative - Subsidiaries without public accountability: Disclosures (waiting for IASB to publish a new standard)	Significant	2024
4	Lease liability in a sale and leaseback (IASB published Amendment in September 2022)	Moderate	*2023
5	Non-current liabilities with covenants (IASB published Amendment in October 2022)	Moderate	*2023
6	Supplier Finance Arrangements (waiting for IASB to publish Amendment)	Moderate	2023
7	Amendments to the Classification and Measurement of Financial Instruments (waiting for IASB to publish Amendment, although Exposure Draft is yet to be published)	Moderate	2023
8	Lack of exchangeability (waiting for IASB to publish Amendment)	Moderate	2023
9	International Tax Reform – Pillar Two Model Rules (waiting for IASB)	Moderate	*2023

³ As at ~~December~~ [28 February 2023](#)

UKEB Expected Workplan 2023/24	Expected Workload	Project Confirmed per IFRS Foundation Workplan	Expected timing of UKEB work ³
to publish Amendment, Exposure Draft published January 2023)			
Influencing Projects			
IASB Standard-Setting⁴:			
10	Disclosure Initiative – Subsidiaries without public accountability: Disclosures (monitoring, moves to adoption when IASB publishes standard)	Moderate	*2023
11	Dynamic Risk Management	Moderate	*
12	Financial Instruments with Characteristics of Equity	Significant	*2023
13	Primary Financial Statements (monitoring, moves to adoption when IASB publishes standard)	Moderate	*2023
14	Rate-regulated activities (monitoring, moves to adoption when IASB publishes standard)	Moderate	*2023
15	Business Combinations – Disclosures, Goodwill and Impairment	Moderate	2023
16	Disclosure Initiative – Targeted Standards-level Review of Disclosures	Limited scope	2023
IASB Research/ Post-Implementation Reviews:			
175	PIR IFRS 15 <i>Revenue from Contracts with Customers</i>	Significant	2023
186	PIR IFRS 9 Impairment	Significant	*2023
197	PIR IFRS 9 Hedge accounting	Significant	2023

⁴⁴ [The IASB's projects on Management Commentary and the Second Comprehensive Review of the IFRS for SMEs Accounting Standard](#) are not included in this list as they are outside the remit of the UKEB.

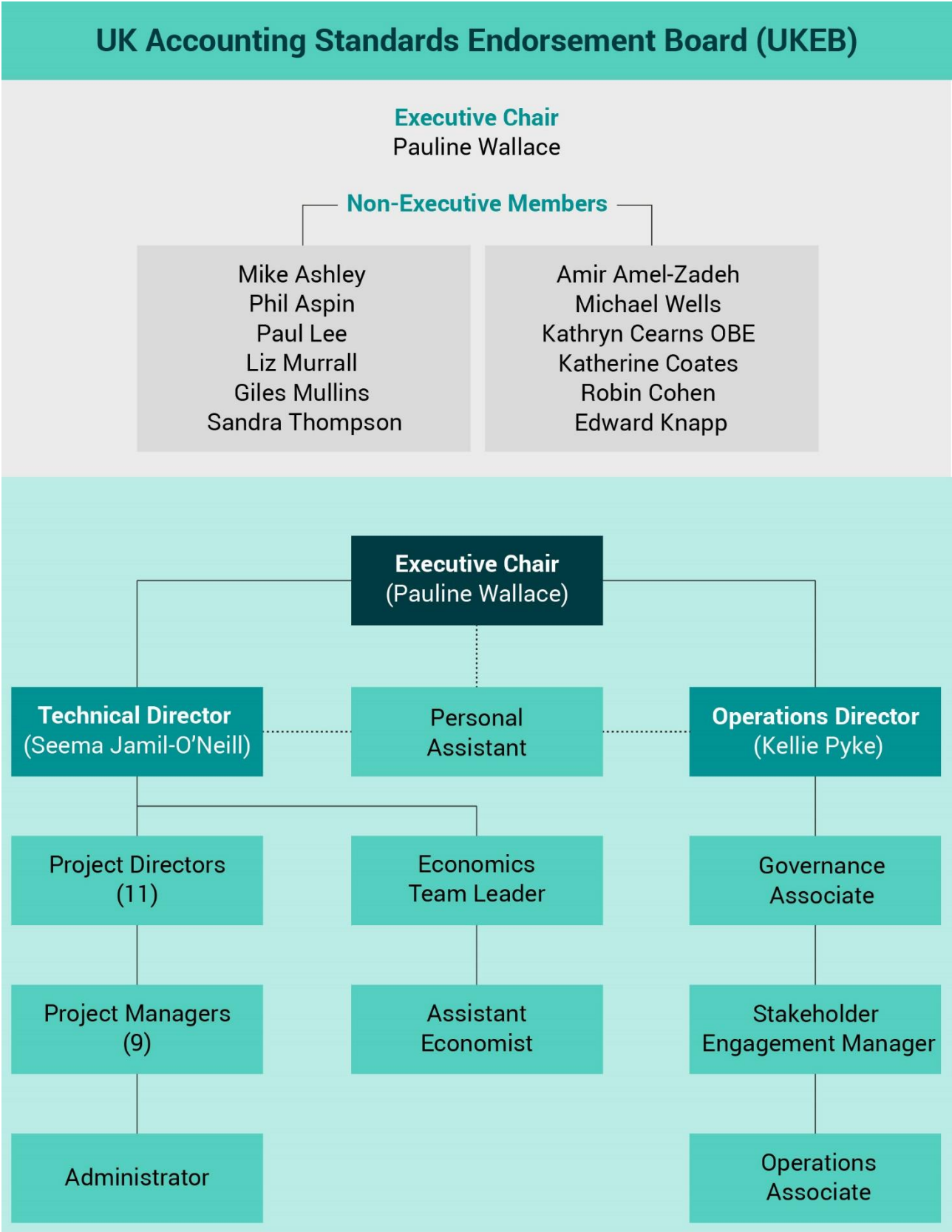
UKEB Expected Workplan 2023/24		Expected Workload	Project Confirmed per IFRS Foundation Workplan Expected timing of UKEB work ³
2018	PIR IFRS 16 <i>Leases</i>	Significant	
2119	Business Combinations Under Common Control	Moderate	
220	Equity method	Moderate	* 2023
231	Extractive industries	Moderate	* 2023
22	Goodwill and impairment	Moderate	*
IASB Maintenance Projects:			
243	Climate-related Risks in the Financial Statements (waiting for project to start) Could include IAS 1, IAS 16, IAS 36, IAS 37, IAS 38, IFRS 13, IFRS 9 / IFRS 7, IFRS 10, and IFRS 8	Moderate	
254	Amendments to the Classification and Measurement of Financial Instruments (influencing when IASB publishes Exposure Draft, moves to adoption when IASB publishes Amendment)	Moderate	* 2023
265	Provisions-targeted improvements	Moderate	*
276	Sale and leaseback of an asset in a single-asset entity	Moderate	
287	Interpretations Committee projects	Limited	* Ongoing
298	IFRS 17 <i>Insurance Contracts</i> (monitoring)	Limited	
3029	Supplier Finance Arrangements (monitoring, moves to adoption when IASB publishes Amendment)	Moderate	* 2023

UKEB Expected Workplan 2023/24	Expected Workload	Project Confirmed per IFRS Foundation Workplan Expected timing of UKEB work ³
319 Lack of exchangeability (monitoring, moves to adoption when IASB publishes Amendment)	Moderate	*2023
IASB Research Pipeline Projects:		
324 Intangible assets	Moderate	
332 IFRS 9-Amortised cost measurement	Moderate	
343 Statement of cashflows and related matters	Moderate	
UKEB Research Projects		
354 Ad hoc narrow-scope research	Moderate	
365 Intangibles research	Significant	2023
376 Reporting climate-related matters in financial statements	Significant Limited scope	2023
ISSB Standard-Setting Projects		
387 IASB-ISSB interaction - S1 ED <i>General Sustainability-related Disclosures</i> (connectivity)	Significant	*2023
398 IASB-ISSB interaction - S2 ED <i>Climate-related Disclosures</i> (connectivity)	Significant	*2023
4039 ISSB Consultation on Agenda Priorities	Significant	*2023
Other Corporate Reporting Projects		
419 Monitoring changes to UK Corporate Reporting Framework	Significant	
421 IASB and ISSB overlap: Overarching (Dependent on ISSB decision on agenda priorities)	Moderate Significant	

UKEB Expected Workplan 2023/24		Expected Workload	Project Confirmed per IFRS Foundation Workplan Expected timing of UKEB work ³
42	IASB and ISSB overlap: Conceptual Framework (Dependent on ISSB decision on agenda priorities)	Moderate	
43	IASB and ISSB overlap: Management Commentary (Dependent on ISSB decision on agenda priorities)	Moderate	
44	IASB and ISSB overlap: Climate-related Risks (Dependent on ISSB decision on agenda priorities)	Moderate	
45	IASB and ISSB overlap: Intangible Assets (IAS 38) (Dependent on ISSB decision on agenda priorities)	Moderate	
46	IASB and ISSB overlap: Pollutant pricing mechanisms (Dependent on ISSB decision on agenda priorities)	Moderate	
UKEB Ongoing Projects			
437	Parliamentary and due-process reporting on technical activities	Moderate	Ongoing
448	Governance of iXBRL - UK-SEF/IFRS Taxonomy	Limited	Ongoing
UKEB Stakeholder Engagement			
459	Set up Ad hoc AG on Rate-regulated activities and Financial instruments working group	Moderate	2023
4650	Membership of, and attendance at: <ul style="list-style-type: none"> • Accounting Standards Advisory Forum (ASAF) • International Forum of Accounting Standard-Setters (IFASS), • World Standard-Setters (WSS) 	Moderate	Ongoing

UKEB Expected Workplan 2023/24	Expected Workload	Project Confirmed per IFRS Foundation Workplan Expected timing of UKEB work³
<ul style="list-style-type: none"> • United Nations International Standards of Accounting and Reporting (UN ISAR), and • EFRAG’s Consultative Forum Standard-Setters (CFSS) 		
4751 Standing Advisory Groups – AFIAG, PAG, IAG, AAG	Moderate	Ongoing
4852 Other ad-hoc stakeholder engagement	Moderate	Ongoing

Appendix A: Organogram 2023/24



Contact Us

UK Endorsement Board

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Regulatory Strategy 2023/24



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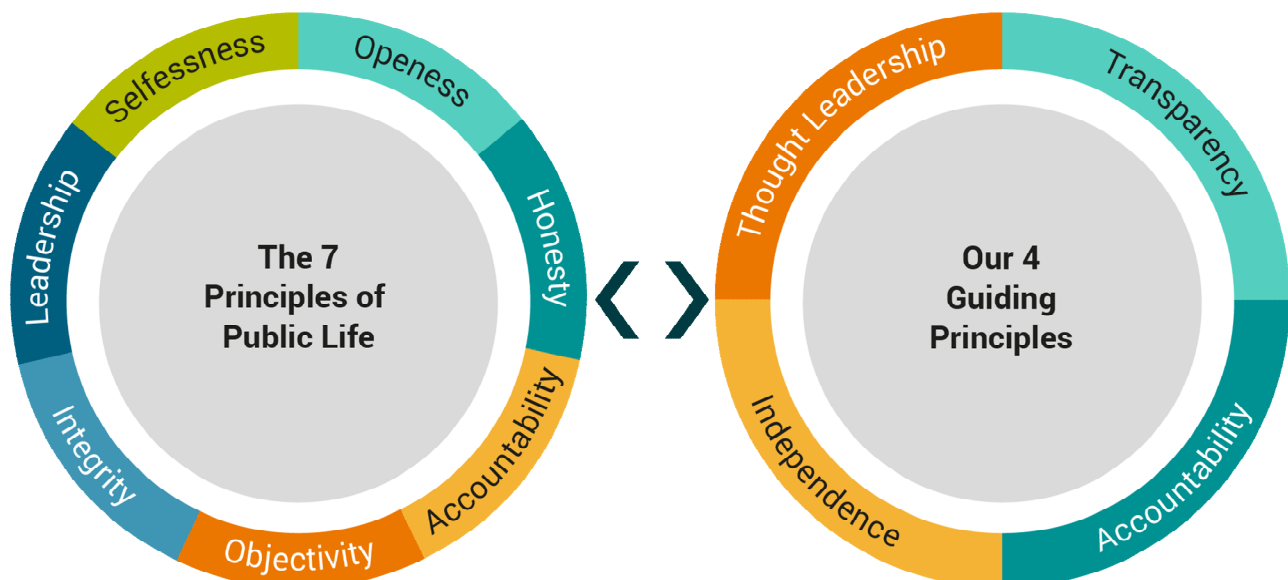
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 - iii. amplifying the research outcomes by sharing them with the IASB and other international partners.

3.2.2 Adoption of standards for use in the UK

The UKEB will aim to assess all new and amended international standards for adoption in the UK on a timely basis. In particular, it will:

- a) assess new standards and amendments against the statutory adoption criteria;
- b) conduct proportionate stakeholder engagement to ensure that the practical implications of implementation of those standards and amendments for UK companies, their investors and other stakeholders have been appropriately established and assessed;
- c) liaise with IASB staff and board members to ensure a full understanding of the technical issues and bases for conclusions; and

-
- d) monitor the endorsement work of other national standard setters to ensure that all issues relevant to the assessment of the impact of the standard on the long-term UK public good have been identified.

3.2.3 Operations framework

Maintaining a robust operations framework is key to ensuring the requisite level of support to facilitate achievement of the influencing and adoption objectives detailed in sections 3.2.1 and 3.2.2 above. The core objectives are to:

- a) provide the UKEB with the support it requires to fulfil its statutory functions, aligned with the culture and values of the organisation;
- b) collaborate effectively with the FRC in its role as the UKEB's outsourced services provider;
- c) continue to embed UKEB's enhanced stakeholder engagement capability, including a comprehensive communications strategy and plan, and enhanced digital output;
- d) maintain tight budgetary control, aligned to the principles of Managing Public Money.

4. Measuring Success

The UKEB will monitor progress in implementing its strategic objectives in a variety of ways.

Progress in influencing the development of international accounting standards is not susceptible to measurement via key performance indicators and will instead be assessed through:

- our regular monitoring of IASB projects;
- our contributions at international standard setting forums including at the IASB's Accounting Standards Advisory Forum (ASAF); and
- our interaction with other national and regional standard setters, bilaterally as well as via contributions at meetings such as International Forum of Accounting Standard Setters (IFASS).

Other objectives will be monitored via key performance indicators in the following core areas:

- Compliance with the governance framework, based upon requirements set out in the Memorandum of Understanding, Terms of Reference and Service Level Agreement;
- Compliance with the Due Process Handbook in delivering to the technical workplan;
- Effective management of outsourced services;
- Actual costs in line with agreed budget/ forecast and adhering to Managing Public Money principles.

The Board will also ensure that its risk landscape is understood and managed appropriately. This will involve identifying, mitigating and monitoring key risks that would otherwise impede the UKEB's ability to achieve its strategic objectives and, therefore, to effectively perform its statutory functions.

Additional indicators of the Board's overarching effectiveness in meeting its statutory objectives are incorporated in the following annual reports:

- Annual Board Effectiveness Review;
- A report to the Secretary of State setting out how the Board has discharged its delegated functions;
- A report to the FRC setting out how the Board has fulfilled its governance and due process responsibilities.

5. Workplan

As the UKEB's statutory functions relate to influencing the IASB during the development of new and amended International Financial Reporting Standards (IFRS) and the subsequent adoption of those standards, the work plan is necessarily focused on the projects on the IASB's current and future agenda, or those issued standards and amendments requiring adoption for use in the UK.

Looking ahead to 2023/24

This year the UKEB's workplan includes adoption projects, influencing projects that relate to projects on the IASB's current workplan, some aspects of the ISSB workplan, and the UKEB's pro-active research work. Given the need to align our work programme with that of the IASB, several of the projects listed on the 2022/23 workplan did not commence during the year as the IASB had not commenced its project or issued any due process documents. Consequently, these have either been included in the 2023/24 workplan or will be rolled forward to the UKEB workplans for future years. Where the IASB has deferred projects to later periods this has been reflected in the UKEB's expected timeline for undertaking those projects.

The need for flexibility in our workplan has been highlighted by two recent changes to the IASB's plans i.e. the urgent standard setting project relating to implementation of the International Tax Reform – Pillar Two Model Rules and the decision to bring forward the effective date of amendments relating to Supplier Finance Arrangements. Both decisions will have an impact on our 2023/24 workplan.

Endorsement and adoption projects

To enable UK companies to prepare for use of a new standard by the effective date, the endorsement and adoption process must commence in good time. This is particularly crucial for companies that have dual-listed status (in the US, for example) where the listing authorities require foreign registrants to use full IFRS as issued by the IASB. The UK legislative framework prescribes the process for the adoption of new standards. It is multi-faceted, requiring consideration from accounting, technical, economic and legal perspectives. In addition, it stipulates consultation with stakeholders. As a result, the adoption process is labour-intensive, requiring a long lead-in time to prepare for the formal adoption, including ensuring adequate time is permitted to enable a full consideration of all relevant UK-specific issues and legal implications, project-specific stakeholder outreach and input, as well as regular engagement at Board level.

IASB workplan

Whilst the Feedback Statement on the IASB's Agenda Consultation was published in July 2022, the likely commencement date for the new projects added to the IASB's pipeline is not expected to become clear until after Q1 2023. Therefore, the UKEB's planned influencing activities for 2023/24 will continue to be agile to address any subsequent changes to the IASB's workplan. The proposed UKEB workplan for 2023/24 below includes both projects currently on the IASB workplan and the key new projects expected to be added over the coming months.

ISSB workplan

The UKEB is also expecting to undertake some projects included on the ISSB's workplan. This is in line with the request from the Secretary of State for the UKEB to consider and provide views to the ISSB on its work from the UKEB's perspective as the body with responsibility for endorsing and adopting international accounting standards, including how the sustainability standards interact with accounting standards issued by the IASB.

UKEB research

The workplan includes some activities relating to research. These are necessary to fulfil the UKEB's thought leadership guiding principle and relate to priority areas of future development, i.e. research relating to goodwill, intangible assets and reporting climate-related matters in financial statements. In addition, some capacity to support the IASB in ad hoc, country-specific research is also necessary as it is key to effective, early influencing of the IASB's projects.

UKEB stakeholder engagement

The workplan also allocates time to formal stakeholder engagement through the Board's advisory groups, via attendance at international meetings, for example the IASB's Accounting Standards Advisory Forum (ASAF), and other ad-hoc stakeholder engagement. In addition, in response to calls from stakeholders, the UKEB will consider opportunities for improving its stakeholder offerings in relation to web-based outreach activities and educational materials on active projects.

UKEB Expected Workplan 2023/24

UKEB Expected Workplan 2023/24		Expected Workload	Expected timing of UKEB work ³
Adoption Projects			
1	Primary Financial Statements (waiting for IASB to publish a revised standard)	Significant	2024
2	Rate-regulated Activities (waiting for IASB to publish a new standard)	Significant	2023–24
3	Disclosure Initiative - Subsidiaries without public accountability: Disclosures (waiting for IASB to publish a new standard)	Significant	2024
4	Lease liability in a sale and leaseback (IASB published Amendment in September 2022)	Moderate	2023
5	Non-current liabilities with covenants (IASB published Amendment in October 2022)	Moderate	2023
6	Supplier Finance Arrangements (waiting for IASB to publish Amendment)	Moderate	2023
7	Amendments to the Classification and Measurement of Financial Instruments (waiting for IASB to publish Amendment, although Exposure Draft is yet to be published)	Moderate	2023
8	Lack of exchangeability (waiting for IASB to publish Amendment)	Moderate	2023
9	International Tax Reform – Pillar Two Model Rules (waiting for IASB to publish Amendment, Exposure Draft published January 2023)	Moderate	2023

³ As at 28 February 2023

UKEB Expected Workplan 2023/24		Expected Workload	Expected timing of UKEB work ³
Influencing Projects			
IASB Standard-Setting⁴			
10	Disclosure Initiative – Subsidiaries without public accountability: Disclosures (monitoring, moves to adoption when IASB publishes standard)	Moderate	2023
11	Dynamic Risk Management	Moderate	
12	Financial Instruments with Characteristics of Equity	Significant	2023
13	Primary Financial Statements (monitoring, moves to adoption when IASB publishes standard)	Moderate	2023
14	Rate-regulated activities (monitoring, moves to adoption when IASB publishes standard)	Moderate	2023
15	Business Combinations—Disclosures, Goodwill and Impairment	Moderate	2023
16	Disclosure Initiative—Targeted Standards-level Review of Disclosures	Limited scope	2023
IASB Research/ Post-Implementation Reviews:			
17	PIR IFRS 15 <i>Revenue from Contracts with Customers</i>	Significant	2023
18	PIR IFRS 9 Impairment	Significant	2023
19	PIR IFRS 9 Hedge accounting	Significant	2023
20	PIR IFRS 16 <i>Leases</i>	Significant	
21	Business Combinations Under Common Control	Moderate	
22	Equity method	Moderate	2023

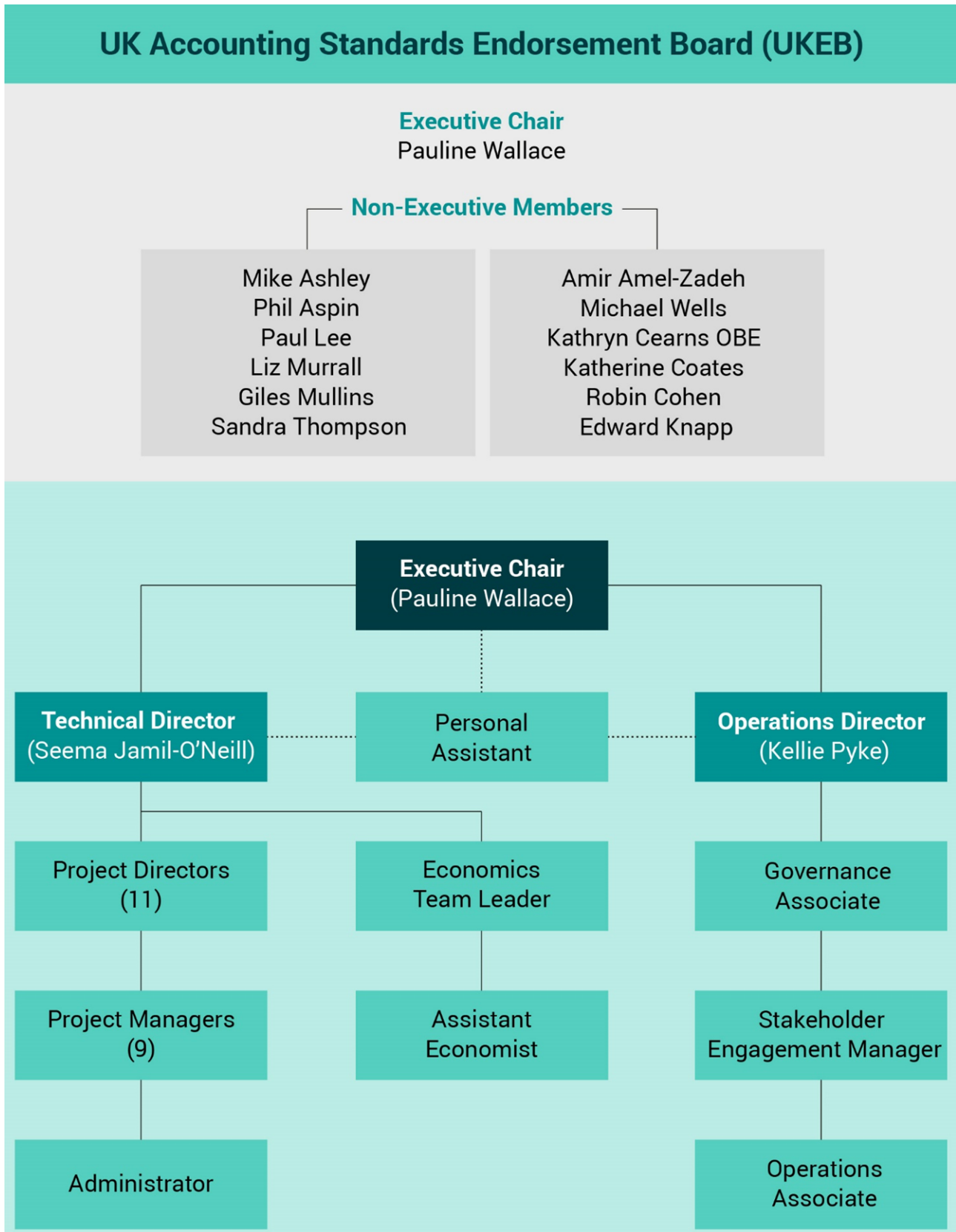
⁴⁴ The IASB's projects on Management Commentary and the Second Comprehensive Review of the IFRS for SMEs Accounting Standard are not included in this list as they are outside the remit of the UKEB.

	UKEB Expected Workplan 2023/24	Expected Workload	Expected timing of UKEB work ³
23	Extractive industries	Moderate	2023
IASB Maintenance Projects:			
24	Climate-related Risks in the Financial Statements (waiting for project to start) Could include IAS 1, IAS 16, IAS 36, IAS 37, IAS 38, IFRS 13, IFRS 9 / IFRS 7, IFRS 10, and IFRS 8	Moderate	
25	Amendments to the Classification and Measurement of Financial Instruments (influencing when IASB publishes Exposure Draft, moves to adoption when IASB publishes Amendment)	Moderate	2023
26	Provisions-targeted improvements	Moderate	
27	Sale and leaseback of an asset in a single-asset entity	Moderate	
28	Interpretations Committee projects	Limited	Ongoing
29	IFRS 17 <i>Insurance Contracts</i> (monitoring)	Limited	
30	Supplier Finance Arrangements (monitoring, moves to adoption when IASB publishes Amendment)	Moderate	2023
31	Lack of exchangeability (monitoring, moves to adoption when IASB publishes Amendment)	Moderate	2023
IASB Research Pipeline Projects:			
32	Intangible assets	Moderate	
33	IFRS 9-Amortised cost measurement	Moderate	
34	Statement of cashflows and related matters	Moderate	

UKEB Expected Workplan 2023/24		Expected Workload	Expected timing of UKEB work ³
UKEB Research Projects			
35	Ad hoc narrow-scope research	Moderate	
36	Intangibles research	Significant	2023
37	Reporting climate-related matters in financial statements	Limited scope	2023
ISSB Standard-Setting Projects			
38	IASB-ISSB interaction - S1 ED <i>General Sustainability-related Disclosures</i> (connectivity)	Significant	2023
39	IASB-ISSB interaction - S2 ED <i>Climate-related Disclosures</i> (connectivity)	Significant	2023
40	ISSB Consultation on Agenda Priorities	Significant	2023
Other Corporate Reporting Projects			
41	Monitoring changes to UK Corporate Reporting Framework	Significant	
42	IASB and ISSB overlap (Dependent on ISSB decision on agenda priorities)	Significant	
UKEB Ongoing Projects			
43	Parliamentary and due process reporting on technical activities	Moderate	Ongoing
44	Governance of iXBRL - UK-SEF/IFRS Taxonomy	Limited	Ongoing
UKEB Stakeholder Engagement			
45	Set up Ad hoc AG on Rate-regulated activities and Financial instruments working group	Moderate	2023
46	Membership of, and attendance at: <ul style="list-style-type: none"> Accounting Standards Advisory Forum (ASAF) 	Moderate	Ongoing

	UKEB Expected Workplan 2023/24	Expected Workload	Expected timing of UKEB work³
	<ul style="list-style-type: none"> • International Forum of Accounting Standard-Setters (IFASS), • World Standard-Setters (WSS) • United Nations International Standards of Accounting and Reporting (UN ISAR), and • EFRAG's Consultative Forum Standard-Setters (CFSS) 		
47	Standing Advisory Groups – AFIAG, PAG, IAG, AAG	Moderate	Ongoing
48	Other ad-hoc stakeholder engagement	Moderate	Ongoing

Appendix A: Organogram 2023/24



Contact Us

UK Endorsement Board

1 Victoria Street | London | SW1H 0ET | United Kingdom

UKEndorsementBoard@endorsement-board.uk

www.endorsement-board.uk



Feedback Statement (draft)

Regulatory Strategy 2023/24

March 2023

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Foreword



The UK Endorsement Board is pleased to present a summary of the comments received from stakeholders regarding our draft 2023/24 Regulatory Strategy.

On behalf of the Board, I thank all respondents for their considered feedback.

We expect 2023/24 to be another busy and productive year and look forward to continuing our engagement with stakeholders to ensure that UKEB achieves its strategic objectives.

Pauline Wallace

UKEB Chair

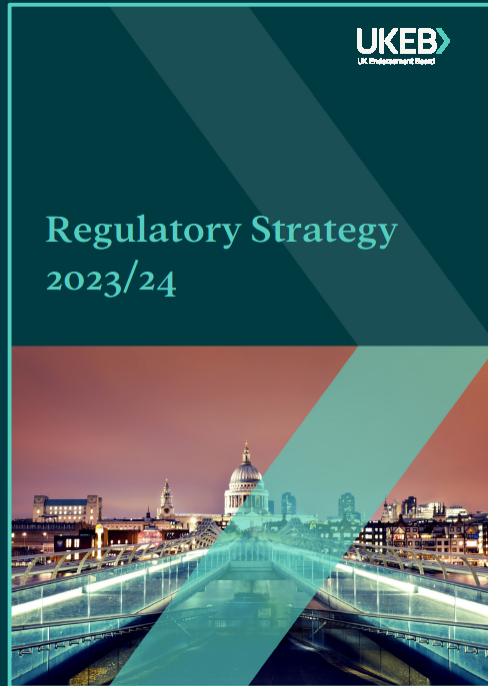
Our purpose

The UKEB is the UK's National Standard Setter for IFRS, responsible for the endorsement and adoption of IFRS for use in the UK. We also lead the UK's engagement with the IFRS Foundation on the development of new standards, amendments and interpretations.

Statutory functions:

- Participate in, and contribute to, the development of a single set of international financial reporting standards; and
- Adopt international accounting standards when they meet the criteria in Statutory Instrument 2019/685 'The International Accounting Standard and European Public Limited-Liability Company (Amendments etc.) (EU Exit) Regulations 2019'.

Feedback statement objective



This **feedback statement** summarises the comments received from respondents during the UKESB's public consultation of the **draft 2023/24 Regulatory Strategy ("Strategy")** and explains UKESB's position in response to those comments.

Background

The draft Strategy was published for public consultation on 16 December 2022 and was open for comment for six weeks, closing on 27 January 2023.

During the consultation period, the UKEB promoted awareness of the draft Strategy and Invitation to Comment through various channels including the UKEB website, press notice, subscriber news alerts and LinkedIn.

The Board received four comment letters from the following respondents:

- Deloitte LLP (Auditors and Accounting Firms);
- Ernst & Young (Auditors and Accounting Firms);
- PwC (Auditors and Accounting Firms);
- ICAEW (Professional Accountancy Bodies).

Comments letters were published on the UKEB website and all feedback considered when finalising the Strategy.

Summary

Respondents indicated broad support for the UKEB's 2023/24 Regulatory Strategy in terms of both the overarching strategic objectives and the workplan. There was also support for the UKEB's ongoing engagement with the ISSB and the focus on how ISSB sustainability standards interact with IASB accounting standards.

Specific areas of feedback and UKEB responses are set out on the next page.

As the year progresses the UKEB will continue to assess its project prioritisation, its stakeholder engagement activities, and its approach to monitoring and measuring the Board's effectiveness in meeting its statutory objectives.

Consultation feedback and UKEB response

	Stakeholder Comment	UKEB Response
1	Ambitious workplan may be challenging to achieve.	The UKEB workplan is ambitious but achievable. The projects included reflect, by necessity, the anticipated 2023/24 agenda of both the IASB and ISSB. The UKEB's workplan is likely to be amended over the coming year, to reflect any subsequent changes to the IASB and ISSB agendas.
2	Indicate project prioritisation on the workplan so stakeholders can anticipate when their engagement may be needed.	The workplan was updated to remove inconsistencies and to indicate when work is expected to take place. If the timing is uncertain, it has been left blank.
3	Prioritise projects regarding 'International Tax Reform – Pillar Two Model Rules'.	The UKEB's work in this area commenced during February 2023, with a comment letter to the IASB submitted in line with the IASB's March 2023 comment deadline. At its February 2023 Board meeting, the UKEB also tentatively agreed to undertake a shortened endorsement and adoption timeline due to the concerns expressed by stakeholders that this Amendment would need to be used by companies immediately.
4	Ensure UKEB's research projects on intangible assets add something new to the large body of existing research.	The UKEB is mindful of balancing its limited resources with the need for evidence-based and impactful research for all its research.
5	Further detail as to how the UKEB Board measures its effectiveness in meeting its statutory objectives.	The 'Measuring Success' section of the Strategy has been expanded to include details of how it monitors its influencing activities, the Annual Board Effectiveness Review and annual reports to both the Secretary of State and the FRC. These additional annual exercises in measuring and summarising the Board's effectiveness across all areas of its statutory objectives were commenced in 2022.

Disclaimer

This feedback statement has been produced in order to set out the UKEB response to stakeholder comments received on the draft 2023/24 Regulatory Strategy and should not be relied upon for any other purpose.

The views expressed in this feedback statement are those of the UKEB at the point of publication.

Any sentiment or opinion expressed within this feedback statement will not necessarily bind the conclusions, decisions, endorsement or adoption of any new or amended IFRS by the UKEB.

Contact Us

UK Endorsement Board

1 Victoria Street | London |
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www.endorsement-board.uk

27 January 2023

Pauline Wallace
Chair
UK Endorsement Board
1 Victoria Street
SW1H 0ET
London
United Kingdom

Dear Pauline

UKEB Regulatory Strategy 2023/24 (draft) – Expected workplan

We welcome the opportunity to comment on the UK Endorsement Board's expected work plan as set out in the draft Regulatory Strategy 2023/24.

We agree with the UKEB's workplan for 2023/24. We highlight the need for a prompt endorsement and adoption process for the proposed amendments to IAS 12 *Income Taxes* as set out in Exposure Draft (ED) IASB/ED/2023/1 *International Tax Reform—Pillar Two Model Rules* to ensure UK companies are able to use the proposed temporary exception without delay.

We agree with the UKEB's workplan in relation to ISSB standard-setting projects and their interaction with IASB standards and projects, in line with the request from the Secretary of State. We think that it is important that ISSB standards are fully adopted in the UK consistent with the goal of enabling a global, consistent baseline of sustainability information reported to capital markets, while allowing for supplemental requirements that may be necessary at the jurisdictional level to reflect particular public policy priorities. Such an approach (sometimes referred to as a 'building blocks' approach) is supported by the finance ministers and central bank governors of the G7 and the G20 and by IOSCO. We therefore encourage the UKEB to continue to work with relevant government authorities to extend the UKEB's mandate to include endorsement and adoption of ISSB standards.

If you have any questions, please do not hesitate to contact us.

Yours sincerely

Deloitte LLP

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Ernst & Young LLP
1 More London Place ey.com
London
SE1 2AF

UK Endorsement Board
1 Victoria Street
London
SW1H 0ET

10 February 2023

Ref: DT/UKEB
Your ref:

Dear Sir

UK Endorsement Board ('UKEB') Regulatory Strategy 2023/24 (draft)

Ernst & Young LLP welcomes the opportunity to comment on 'UKEB Regulatory Strategy 2023/24 (draft)' (the Consultation'). The Consultation usefully sets out the purpose, statutory functions and achievements of the UK Endorsement Board (UKEB) in its first year of operation, 2022/23.

Our main concern is to highlight the importance of prioritising the UK-adoption of 'International Tax Reform – Pillar Two Model Rules' once a final standard is issued by the IASB. ED/2023/1 'International Tax Reform—Pillar Two Model Rules' (the ED) provides for a mandatory temporary exception from recognition and disclosure of deferred tax related to Pillar Two income taxes. There are significant interpretation and implementation difficulties in applying IAS 12 'Income Taxes' ('IAS 12') to the Pillar Two Model Rules, which is why this relief is to be provided. Given that the IASB may only issue a final standard in Q2, 2023, issuers will want clarity as to what requirements will apply in half-yearly or quarterly reporting.

We note the large number of projects listed in the UKEB workplan for 2023/24, many of which have a level of workload denoted as 'significant' as well as several potential UK-adoption projects. The UKEB will need to ensure that it has sufficient resource to cover all the projects listed in the workplan and to deal with any urgent issues that may require attention. As noted in Section 5 of the Consultation, the UK-adoption process needs to be commenced in good time to allow the process to be completed. We believe it is important for high-quality reporting that UK entities can generally expect that the UK-adoption processes will be completed such that they will be able to prepare for and apply a standard, interpretation or amendment with the same effective date as with full IFRS as issued by the IASB.

Yours faithfully,

Ernst & Young LLP
United Kingdom



The UK Endorsement Board
1 Victoria Street
London
SW1H 0ET

23 January 2023

Dear Sir/Madam

Regulatory Strategy 2023/24 (draft)

We are responding on behalf of PricewaterhouseCoopers LLP to your invitation to comment on the Draft Regulatory Strategy 2023/24.

We support the UKEB in its efforts to fulfil its statutory duties and applaud the UKEB for a successful first full year of operations.

We agree that it is appropriate for the UKEB's workplan to include adoption projects, as well as a mix of influencing projects that relate to projects on the IASB's current workplan, some aspects of the ISSB workplan, the UKEB's pro-active research work and formal stakeholder engagement. We observe that the proposed workplan, whilst admirable, is ambitious and may be challenging given the current level of resource available to the UKEB. We note that no additional headcount is included in the FRC's draft budget for 2023/24 as proposed in the [FRC: Draft 3-Year Plan](#).

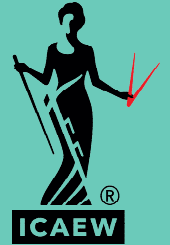
The UKEB's proposed workplan helpfully indicates the expected workload for each of the 52 projects/activities. We recognise the need for some flexibility, particularly as timing may be dependent on third parties such as the IASB. However, it may also be useful to indicate the priority of the expected projects, so that stakeholders can better anticipate the more immediate areas of the UKEB's focus that potentially may need stakeholders' engagement.

Yours faithfully

PricewaterhouseCoopers LLP

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UKEB ENDORSEMENT BOARD - DRAFT REGULATORY STRATEGY 2023/24

Issued 25 January 2023

ICAEW welcomes the opportunity to comment on the UK Endorsement Board's Regulatory Strategy 2023/24 published in January 2023, a copy of which is available from this [link](#).

We are supportive of the UK Endorsement Board (UKEB) and its overall approach to delivering against its statutory functions. We do, however, have some comments on its proposed strategy and workplan, which are set out below.

For questions on this response please contact the Financial Reporting Faculty at frf@icaew.com quoting REP 4/23.

This response of 25 January 2023 has been prepared by the ICAEW Financial Reporting Faculty. Recognised internationally as a leading authority on financial reporting, the faculty, through its Financial Reporting Committee, is responsible for formulating ICAEW policy on financial reporting issues and makes submissions to standard setters and other external bodies on behalf of ICAEW. The faculty provides an extensive range of services to its members including providing practical assistance with common financial reporting problems.

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ANSWERS TO SPECIFIC QUESTIONS

Question 1 – Do you have any comments on the UKEB’s workplan, as set out in the (draft) 2023/24 Regulatory Strategy? Please provide your rationale and supporting comments.

1. We are supportive of the UK Endorsement Board (UKEB) and its overall approach to delivering against its statutory functions. We do, however, have some comments of detail on the proposed strategy and workplan, which are discussed below.

Adoption projects and other IASB-related projects

2. The section of the UKEB’s workplan dealing with adoption projects and other IASB-related projects appears comprehensive and includes a large number of projects. We are pleased to note that there is now a column providing an indication of the expected workload for each project as this will enable readers to understand which projects are seen as priorities over the next twelve months. The absence of any indication of priorities was something that we commented on last year and we are pleased to note that this has been taken on board when preparing this year’s workplan.
3. We note that the IASB’s maintenance project on *International Tax Reform – Pillar Two Model Rules* is not included in the UKEB’s draft workplan, presumably because it was initiated too close to the draft regulatory strategy being published. This importance of issuing timely relief on this matter means that this project is being accelerated, with the IASB aiming to finalise any amendments in the second quarter of 2023. We therefore encourage the UKEB to prioritise this project to ensure that the proposed amendments to IAS 12 *Income Taxes* are endorsed and adopted for use in the UK on a timely basis.
4. We have set out in the appendix to this letter some additional points of detail noted when reviewing this part of the workplan.

ISSB workplan

5. We are pleased to note that the UKEB will be undertaking some projects in relation to the sustainability standards that are currently being developed by the ISSB. We agree that at this stage, the UKEB should only look at how these sustainability standards interact with the accounting standards issued by the IASB.
6. At some point in the future, it may be appropriate for the UKEB’s remit to be extended so that they are granted the power to endorse not only IFRS Accounting Standard but also IFRS Sustainability Standards for use in the UK.

UKEB research projects

7. We note that a significant research project on intangible assets is included in the UKEB’s draft workplan and that this project is already underway. We understand that the phase 1 of this project will focus on understanding the reporting landscape for intangible assets in the UK and gathering investor views while phase 2 would potentially extend this research into developing more comprehensive proposals to address those findings.
8. It is helpful that the UKEB has structured its project in a way that will provide a UK perspective on the issue. We are also pleased to note that the UKEB is looking to collaborate with other National Standard Setters including EFRAG and the Australian Accounting Standards Board during phase 2 of this project. Careful thought will, however, need to be given to this latter part of the project in order to ensure that the work undertaken adds something genuinely new to the conversation given that many academics, standard-setters and other organisations around the world have already undertaken or are currently undertaking extensive research on this topic.

Question 2 – Do you have any other comments on the UKEB’s (draft) 2023/24 Regulatory Strategy?

9. We raised a number of points on the UKEB’s strategic objectives and how it measures success in our response to last year’s consultation on the 2022/23 Regulatory Strategy. Many of these points remain relevant to this year’s draft strategy. In particular, we draw the UKEB’s attention to the comments we made in relation to thought leadership, research and collaborating with others. Please refer to [last year’s representation letter](#) for more information.
10. We also reiterate the point we made last year in relation to carve-outs from or amendments to standards as issued by the IASB. We believe that these should be kept to an absolute minimum and only made where doing so is considered to be clearly conducive to the long term public good in the UK.

APPENDIX – POINTS OF DETAIL ON THE PARTS OF THE WORKPLAN DEALING WITH ADOPTION AND OTHER IASB-RELATED PROJECTS

Adoption projects

This section includes:

- three projects where the next step on the current IASB workplan¹ is the issuance of a new or revised IFRS Accounting Standard
- two projects which have already completed by the IASB and are awaiting adoption by the UKEB
- one project where an exposure draft has recently been issued
- one project where an exposure draft is expected in March 2023

It might be helpful for readers if the UKEB's workplan indicated which stage these various projects are at.

Some of these projects are asterisked to indicate that they have been 'confirmed per the IFRS Foundation Workplan', but all of them have either been completed or are at an advanced stage.

Influencing projects – IASB Standard-Setting

This section includes some – but not all – of the standard-setting projects on the IASB workplan.

We appreciate that the IASB's projects on Management Commentary and the IFRS for SMEs have been excluded as they will not be applicable in the UK. It may, however, be helpful to explain this.

The IASB's projects on Business Combinations – Disclosures, Goodwill and Impairment and Disclosure Initiative – Targeted Standards-level Review of Disclosures are excluded from this part of the UKEB's workplan, presumably as they were only moved from research to standard setting in December.

The projects on Primary Financial Statements and Rate-regulated Activities are flagged up as moving to adoption projects when the IASB publishes its final standard. This is also true of the project on Disclosure Initiative – Subsidiaries Without Public Accountability: Disclosures.

Influencing projects – IASB Research / Post-Implementation Reviews

This section includes a project on Goodwill and Impairment. This is a standard-setting project rather than a research project or a post-implementation review so it appears to be miscategorised.

The projects relating to the Post-Implementation Review of IFRS 15 and Business Combinations Under Common Control are not asterisked, indicating that they are not currently 'confirmed per the IFRS Foundation Workplan' but this is not the case.

Influencing projects – IASB Maintenance Projects

This section includes the IASB's projects on Supplier Finance Arrangements and Lack of Exchangeability. To be consistent with elsewhere in the UKEB's workplan, we think that these two projects should be flagged up as moving to adoption projects when the IASB publishes its final standard.

¹ Based on the IASB Workplan as at 13 December 2022