

# UKEB Public Board Meeting Minutes

**Meeting Date/Time:** 19 September 2024 at 10:02 hrs

**Meeting Location:** 125 London Wall, London EC2Y 5AS

The 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 (items 5 to 9)                                     |
| Mike Ashley      | Member  |
| Phil Aspin       | Member  |
| Tony Clifford    | Member  |
| Katherine Coates | Member  |
| Robin Cohen      | Member  |
| Owen Glaysher    | Member  |
| Edward Knapp     | Member  |
| Giles Mullins    | Member  |
| Liz Murrall      | Member  |
| Sandra Thompson  | Member  |
| Michael Wells    | Member  |
|                  |   |
| Michael Ashby    | Observer from the Department for Business and Trade (DBT) |
| Richard Cannon   | Observer from HM Revenue and Customs (HMRC)               |
| Andrew Murray    | Observer from the Bank of England (BoE)                   |
| Alexander Owen   | Observer from the Financial Reporting Council (FRC/CRR)   |
| Lee Piller       | Observer from the Financial Conduct Authority (FCA)       |

## 1. Welcome and Apologies

- a) The Chair noted that the meeting was being recorded and the recording would be published on the UKEB website after the meeting.
- b) The Board noted apologies from Paul Lee.

## 2. Declarations of Interest

- a) The Board noted the following declaration:
  - i. Phil Aspin's employer is involved in rate-regulated activities.

## 3. Administrative Matters

- a) The Board approved the minutes of the previous meeting held on 18 July 2024 subject to minor amendments, and the minutes of the ad hoc meeting on 02 August 2024, for publication on the website. **(Decision)**

## Endorsement and Adoption

### 4. Amendments to the Classification and Measurement of Financial Instruments – Draft Endorsement Criteria Assessment

- a) The Board considered the Draft Endorsement Criteria Assessment (DECA) and related Invitation to Comment (ITC) for the *Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments* (IASB Amendments).
- b) The Board agreed that it will only consider for endorsement the amendments proposed to IFRS 9 and IFRS 7 at this stage. Consideration of the amendments to IFRS 19 *Subsidiaries without Public Accountability* accompanying the IASB Amendments will be deferred and addressed as part of the IFRS 19 endorsement assessment.
- c) The Board considered the draft assessment against the adoption criteria included in the DECA and requested some amendments, including amendments to the relevance and reliability analysis for the derecognition of financial liabilities, and the understandability analysis for investments in equity instruments designated at fair value through other comprehensive income. It also noted the stakeholder outreach undertaken, the proposed timeline and next steps.
- d) The Board approved the DECA and ITC for public consultation, subject to the amendments suggested during the meeting and final approval by the Chair. **(Decision)**

## Influencing

### 5. Exposure Draft: Amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures* – Draft Comment Letter

- a) The Board considered the Draft Comment Letter (DCL) and Invitation to Comment (ITC) in response to the IASB's Exposure Draft (ED) Amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures*.
- b) The Board requested that the cover letter of the DCL should highlight the following points:
  - i. recommendation that the IASB give greater consideration to proportionality when considering reduction in disclosure requirements.
  - ii. recommendation that reduced disclosures should be in place by the effective date of the forthcoming IFRS Accounting Standard *Regulatory Assets and Regulatory Liabilities*.
- c) The Board approved the DCL and ITC for publication, subject to the amendments suggested during the meeting and final approval by the Chair. **(Decision)**.
- d) The Board noted the proposed approach to future stakeholder outreach, the proposed timeline and next steps.

### 6. Exposure Draft: *Climate-related and Other Uncertainties in the Financial Statements* – Draft Comment Letter

- a) The Board considered the DCL and related ITC in response to the IASB's Exposure Draft (ED) *Climate related and Other Uncertainties in the Financial Statements* – Proposed illustrative examples. The ED provides illustrative guidance on how the requirements in the standards could be applied to provide investors with better information about climate-related risks and other uncertainties.
- b) The Board agreed that the proposed recommendation for the IASB to elaborate on its longer-term strategy regarding connectivity with the ISSB's future standards should be deferred for discussion in the context of the IASB's upcoming Agenda Consultation.
- c) The Board noted the stakeholder outreach undertaken.
- d) The Board approved the DCL and ITC for public consultation, subject to the amendments suggested during the meeting and final approval by the Chair. **(Decision)**

## Ongoing Monitoring of IASB Projects

### 7. IASB General Update

#### Rate-regulated activities

- a) The Board considered the tentative IASB decisions at its July 2024 meeting.
- b) The Board noted the UK energy regulator is proposing a hybrid regulatory model for the next price control period. If agreed, this is likely to further compound the UKEB's concerns with the IASB proposals for accounting for rate regulated assets and liabilities that arise from the direct (no direct) relationship concept. The rules-based nature of the IASB's proposals may fail to adequately address other future changes to regulatory approaches.
- c) The Board also considered and provided feedback on the IASB's tentative decisions made in Q1 and Q2 2024, to be discussed at the September 2024 ASAF meeting.

#### Power Purchase Agreements

- d) The Board received a verbal summary of the discussion relating to the IASB's project on Power Purchase Agreements at the IASB's September meeting. It noted the tentative decisions taken by the IASB on Scope and Own-Use.

#### Other projects

- e) The Board noted updates on various projects being considered by the IASB, including Financial Instruments with Characteristics of Equity and Post-implementation Review of IFRS 9 – Impairment.

#### Interpretations Committee Update

- f) The Board agreed that the UKEB would not undertake any work at this stage on the matter under consideration by the Interpretations Committee in relation to the Recognition of intangible assets resulting from climate-related commitments, but will reassess if a Tentative Agenda Decision is developed. **(Decision)**
- g) The Board also agreed that given the lack of evidence of impact on a significant number of UK companies the UKEB would not undertake any further work in relation to the two new Tentative Agenda Decisions: (i) Recognition of revenue from tuition fees and (ii) Guarantees Issued on Obligations of Other Entities. **(Decision)**

#### ASAF agenda items

- h) The Board noted the topics to be discussed at the ASAF meeting on 26 and 27 September 2024.

**8. Items for Noting**

- a) The Board noted the following papers:
  - i. Sustainability Update.
  - ii. Exposure Draft *Business Combinations – Disclosures, Goodwill and Impairment* – Due Process Compliance Statement.
  - iii. Exposure Draft *Contracts for Renewable Electricity* – Due Process Compliance Statement.
  - iv. Advisory Groups Update.
  - v. Technical Advisory Committee (TAC) Update.

**9. Any other business**

- a) There was no other business.

The meeting ended at 13:18 hrs.