

[Draft] Due Process Handbook—Overview

Executive Summary

Project Type	UKEB Set-up
Project Scope	N/A
Purpose of the paper	
<p>This paper presents a draft of the consolidated version of UKEB’s Due Process Handbook (the “Handbook”) for public consultation.</p> <p>The paper asks for approval to issue the draft Handbook for consultation (subject to amendments or additions required by the Board) and confirmation on the suggested wording for some paragraphs. A timeline for the publication and finalisation of the Handbook is included. Although the plan shows approval at this meeting, the Board has the option to defer this decision until the December meeting, if appropriate.</p>	
Summary of the Issue	
<p>The Handbook will set out the due process requirements the Board will apply to its activities to enable it to uphold its guiding principles of accountability, independence, transparency and thought leadership when fulfilling its statutory functions.</p> <p>A clearly set out due process ensures that: the UKEB’s views are based on the evidence gathered over the course of its activities; they contribute to high-quality financial reporting; and maintain accountability and transparency to stakeholders throughout.</p> <p>The current draft of the Handbook (clean version) is presented as a separate paper (Agenda paper 3 Appendix 1). A separate tracked version (Agenda paper 3 Appendix 2) is also included together with a summary of comments from Board members and responses (Agenda paper 3 Appendix 3). Some proposed questions for public consultation are included at (Agenda Paper 3 Appendix 4).</p>	
Decisions for the Board	
<p>Board members are asked:</p> <ul style="list-style-type: none"> (a) For comments on the form and content of the draft consolidated Handbook; (b) For comments on suggested wording for paragraphs 9.11, 9.14 and 10.6 of the Handbook, presented at the October 2021 meeting as well as for new paragraph 10.7 (as explained in paragraphs 5–14 of this paper); and (c) Subject to any comments made at the meeting, whether they are content for the Handbook to be issued for public consultation. 	
Recommendation:	
<p>We recommend that the Handbook is approved for public consultation (subject to the amendments or additions required by the Board).</p>	
Appendices	
Appendix 1	[Draft] Due Process Handbook—full consolidated (clean) version
Appendix 2	[Draft] Due Process Handbook—full consolidated (tracked) version
Appendix 3	Summary of comments from Board members and responses
Appendix 4	Proposed questions for public consultation

[Draft] Due Process Handbook—Overview

Purpose

1. At the October 2021 meeting the Board agreed to review and consider approving for public consultation the draft Due Process Handbook (the Handbook) at the November 2021 meeting, thereby allowing a longer stakeholder consultation period than originally planned. If as a result of the comments at the Board meeting, further detailed changes are necessary, the Board can retain the option to defer the final approval for publication until the December meeting.
2. This paper asks for approval to issue the draft Handbook for public consultation. For this purpose, we are providing separate papers for:
 - a) A [Draft] Due Process Handbook—clean version (Agenda paper 3: Appendix 1);
 - b) A [Draft] Due Process Handbook—tracked version (Agenda paper 3: Appendix 2);
 - c) A Summary of comments from Board members and responses (Agenda paper 3: Appendix 3); and
 - d) Proposed questions for public consultation (Agenda paper 3: Appendix 4).
3. In this paper we are also asking Board members to confirm our suggested wording for paragraphs 9.11, 9.14 and 10.6 of the draft Handbook that were presented at the October 2021 meeting. These are:
 - a) Allowing alternates at advisory group meetings (paragraph 9.11 in the Handbook);
 - b) Membership terms for advisory groups members (paragraph 9.14 in the Handbook); and
 - c) Factors to consider when responding to tentative agenda decisions issued by the IFRS Interpretations Committee (paragraph 10.6 and new paragraph 10.7 in the Handbook).
4. This paper also sets out the timeline for the publication and subsequent finalisation of the Due Process Handbook, based on the Board approving it for publication at this meeting. If the Board wishes to defer its approval until December 2021, the timeline set out in this paper will change.

Confirmation of suggested wording for paragraphs 9.11, 9.14 and 10.6 of the Handbook

5. This section provides our suggested wording for paragraphs 9.11, 9.14 and 10.6 of the Handbook, previously, previously presented at the October 2021 Board meeting. The Board is asked to confirm the suggested wording for these paragraphs as well as for the new paragraph 10.7.

Paragraph 9.11 – allowing alternates in advisory group meetings

6. At the October 2021 meeting Board members had differing views on whether to allow an alternate when a member of an advisory group is not able to attend an advisory group meeting.
7. A few Board members opposed having alternates because they did not consider this to be appropriate. This is because, for example, alternates may not have the same level of information or experience to adequately express views or provide advice. We observe that this situation may be exacerbated if frequent alternation exists amongst members of advisory groups. Others observed that alternates should be allowed but only in exceptional circumstances and only at the discretion of the advisory group's chair.
8. We are suggesting amended wording for paragraph 9.11 to allow alternates for advisory group meetings, but only at the discretion of the advisory group's chair. This provides a measure of mitigation and control and avoids situations of frequent alternation. This approach is consistent with the Terms of Reference for the current UKEB's advisory group (i.e. the Insurance Technical Advisory Group or 'TAG') which permits alternates at the discretion of the TAG's chair (i.e. for this group the chair is the UKEB's Technical Director).
9. Consequently, our recommendation is that the final wording of paragraph 9.11 in the Handbook be as follows:

9.11 Members of advisory groups are appointed in their personal capacity and only in exceptional circumstances, and at the discretion of the advisory group's chair, may they be represented by an alternate.

Question 1 for the Board

- a) Do you agree with the Secretariat's recommended change to wording in paragraph 9.11 of the draft Handbook?

Paragraph 9.14 – membership terms for advisory group members

10. The second issue is our suggested wording in paragraph 9.14 (and Appendix C: paragraph 2.1) of the Handbook which provides requirements for advisory group membership terms. This paragraph was revised following the Board members' advice to:
 - a) set out the terms for the initial appointment of members of advisory groups; and
 - b) allow the staggering of terms to ensure continuity of the advisory group.

11. Our proposed wording is based on the membership requirements for UKEB Board members, set out in paragraph 2.2 of the UKEB's Terms of Reference¹.
12. Our recommendation is that the final wording of paragraph 9.14 in the Handbook be as follows:

9.14 The membership of an advisory group is reviewed on a regular basis with the possibility that members may be appointable for consecutive terms. Members of advisory groups are appointed for an initial term of up to three years renewable for a second term of up to three additional years. The length of term may be shortened to allow for a staggered rotation of members to ensure continuity on the advisory group. Changes to appointments arising from such reviews are approved by the Board.

Question 2 for the Board

- a) Do you agree with the Secretariat's recommendation in paragraph 12 of this paper?

Paragraph 10.6 – factors to consider when responding to tentative agenda decisions issued by the IFRS Interpretations Committee

13. The suggested wording in paragraph 10.6 of the Handbook now includes some factors that the Board could consider when deciding whether to respond to tentative agenda decisions issued by the IFRS Interpretations Committee. We also propose to add paragraph 10.7. The suggested wording in both paragraphs follows the advice provided by the Board at the October 2021 meeting.
14. Our recommendation is that the final wording of paragraph 10.6 in the Handbook be as follows. We also propose to add paragraph 10.7:

10.6 The UKEB expects to respond to a limited number of tentative agenda decisions published by the Interpretations Committee. Some factors to consider when deciding whether to respond may be:

- (a) The degree of impact of the IASB tentative agenda decision on UK companies (for example, in cases where the tentative agenda decision is expected to affect a significant number of UK companies)

¹ Paragraph 2.2 of the UKEB's Terms of Reference states that (emphasis added): "All other Members of the UK Endorsement Board shall be appointed by the Chair, with the approval of the Secretary of State, following a fair and open appointment process and shortlisting of candidates by the FRC's People Committee. **The Members shall be appointed for an initial term of up to three years renewable for a second term of up to three years. In exceptional circumstances, and at the absolute discretion of the Secretary of State, one further term may be granted for a maximum of 12 months. The length of term may be shortened to allow for a staggered rotation of Members to ensure continuity on the Board.** All Members will be appointed on a part-time basis".

- (b) Disagreement with the analysis performed by the Interpretations Committee;
or
(c) Usefulness of the explanations and clarifications included in the tentative agenda decision.

10.7 The Board might also choose to respond to a tentative agenda decision even if it agrees with the analysis performed by the Interpretations Committee. For example, this may apply in cases where others have expressed disagreement with the analysis in the tentative agenda decision.

Question 3 for the Board

- a) Do you agree with the Secretariat's recommendation in paragraph 14 of this paper?

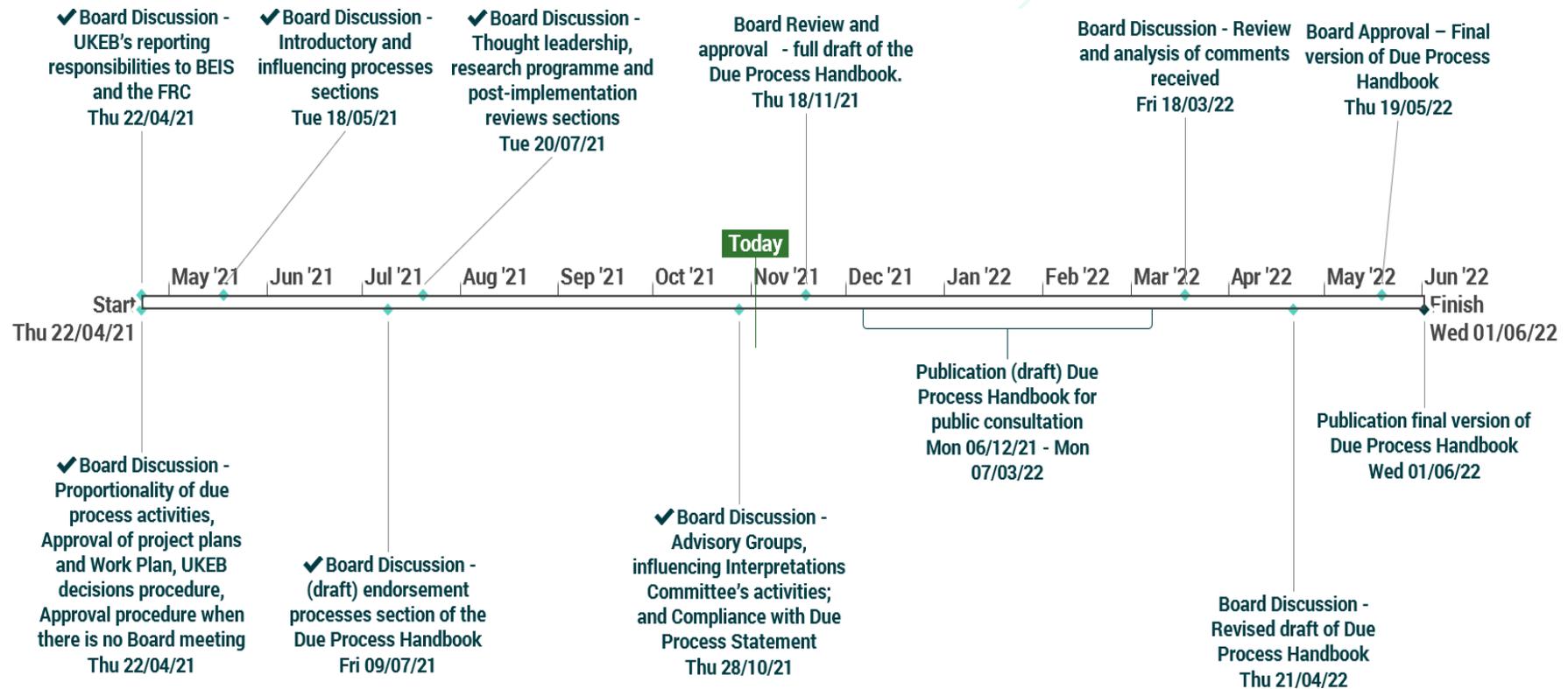
Next steps and timeline

15. Our current plan for the publication of the draft Handbook for public consultation and finalisation is set out in the table below and the diagram on the next page.

Date	At a public Board meeting:
18 November 2021	Board review and approval of full draft of the Due Process Handbook
w/c 6 December 2021	Publication of the draft Due Process Handbook for public consultation (3-month comment period until 7 March 2022).
<i>Public consultation period</i>	Monday 6 December 2021 – Monday 7 March 2022 [~3 months or 90 days]
January–March 2022	Comments received - review and analysis (UKEB Secretariat)
18 March 2022	Board initial discussion derived from review and analysis of comments received
21 April 2022	Board review and discussion of revised draft of Due Process Handbook
19 May 2022	Board approval of final version of Due Process Handbook
June 2022	Publication of Due Process Handbook

Due Process Handbook Plan – Upcoming Tasks

High Level Plan



UK Endorsement Board

[Draft] Due Process Handbook

November 2021

[Draft] Due Process Handbook— Table of contents

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[Draft] Due Process Handbook sections

I Introduction

- 1.1 The Due Process Handbook (Handbook) sets out how the UK Endorsement Board (UKEB)¹ will assess the appropriateness of international accounting standards² for use in the UK. International accounting standards are developed and issued by the International Accounting Standards Board (IASB).
- 1.2 This Handbook describes the due process that the UKEB follows in:
- (a) influencing international accounting standards (including influencing the IASB's post-implementation reviews and the IFRS Interpretations Committee's activities); and
 - (b) endorsing and adopting international accounting standards.
- 1.3 This Handbook also describes additional due process steps that the UKEB follows for:
- (a) carrying out its thought leadership activities and developing its own research programme;
 - (b) performing its own post-implementation reviews;
 - (c) setting up advisory groups; and
 - (d) making sure it complies with the required due process steps in this Handbook.
- 1.4 This Handbook guides the UKEB on performing the required due process steps and explains how stakeholders participate in this process.
- 1.5 The Secretary of State for the Department of Business, Energy and Industrial Strategy (BEIS) delegated the functions relating to influencing, endorsing and adopting international accounting standards for application in the UK to the UKEB in May 2021³. The Secretary of State maintains a regular review of the performance of the UKEB in exercising those functions. The UK Financial Reporting Council (FRC) oversees the effective governance of the UKEB and its adherence to the due processes set out in this Handbook. It also provides operational support. The FRC does not have the power to

¹ The UKEB was established through The International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019 (Statutory Instrument 2019 No. 685 (SI 2019/685): <https://www.legislation.gov.uk/ukxi/2019/685/made>

² This term has the meaning given in SI 2019/685 by referring to Article 2 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards:
“...‘international accounting standards’ shall mean International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and related Interpretations (SIC-IFRIC interpretations), subsequent amendments to those standards and related interpretations, future standards and related interpretations issued or adopted by the International Accounting Standards Board (IASB)”.

³ The International Accounting Standards (Delegation of Functions) (EU Exit) Regulations 2021 No. 609 (SI 2021/609).

direct the UKEB in relation to the determination of its programme of work or the outcome of its technical decision-making⁴.

- 1.6 This Handbook forms one of the key documents of the UKEB. A diagram of the relationship between these documents can be found in Appendix A.

2 Statutory functions of the UKEB

- 2.1 Regulation 5 of SI 2019/685 sets out the UKEB's statutory functions, as follows:

- “(a) the adoption of international accounting standards for use within the United Kingdom, with a view to harmonising the financial information presented by the companies required by section 403(1) of the Companies Act 2006 to prepare their accounts in accordance with UK-adopted international accounting standards, in order to ensure—
- (i) a high degree of transparency and international comparability of financial statements; and
 - (ii) the efficient allocation of capital, including the smooth functioning of capital markets in the United Kingdom; and
- (b) participating in and contributing to the development of a single set of international accounting standards.”

- 2.2 Regulation 8 of SI 2019/685 also requires consultation:

“Before adopting an international accounting standard under regulation 6, the Secretary of State must consult such persons as the Secretary of State considers to be representative of those with an interest in the quality and availability of accounts, including users and preparers of accounts.”

- 2.3 Regulation 17 of SI 2019/685 also requires that the Board report to the Secretary of State on its activities:

“(1) The body must, at least once in each calendar year for which the delegation regulations are in force, make a report to the Secretary of State on—

- (a) the discharge of the functions transferred to it, and
- (b) such other matters as the Secretary of State may by regulations require.”

⁴ The respective responsibilities of the Secretary of State for BEIS, FRC and UKEB are set out in a Memorandum of Understanding on the UKEB here: <https://assets-eu-01.kc-usercontent.com/99102f2b-dbd8-0186-f681-303b06237bb2/0633cede-348c-478f-b714-3cdb30b058be/UKEB-FRC-BEIS-MoU-22May2021.pdf>

3 Terms of Reference and Guiding Principles

Terms of Reference

- 3.1 The Terms of Reference⁵ (ToR) further elaborate on the UKEB's role and responsibilities as they relate to the statutory functions. The UKEB's key responsibilities include:
- (a) Considering and deciding whether to endorse and adopt new or amended international accounting standard for application in the UK. This includes a formal endorsement criteria assessment which assesses the impact on UK entities. Whilst the FRC will provide operational infrastructure and other support to it, the UKEB's technical decision-making shall be independent.
 - (b) Ensuring that there is an open and transparent due process including a public consultation process (as appropriate⁶) with stakeholders on draft comment letters to the IASB, draft endorsement criteria assessments and other documents such as research discussion papers. This includes providing timely feedback to stakeholders on their contributions.
 - (c) Influencing the development of IFRS. The UKEB will follow and contribute to debates on all the IASB's projects, consult with UK stakeholders to obtain their views, highlight any concerns to the IASB at every stage of their project, including the development of its agenda and post-implementation reviews.
 - (d) Deciding on the work plan for research activities and developing those activities to contribute to the development of financial reporting internationally, after public consultation on possible projects to be included.
 - (e) Reporting to the FRC Board, setting out the extent to which it has complied with the procedures set out in the Due Process Handbook.
- 3.2 The ToR are set by the BEIS Secretary of State and adopted by the UK Endorsement Board.

Guiding Principles

- 3.3 Section 4 of the ToR require the UKEB to act at all times in accordance with the guiding principles of:
- (a) Accountability—to be accountable to its stakeholders, its oversight body (the FRC) and the Secretary of State for BEIS in undertaking its statutory functions. This includes consulting with UK stakeholders that are affected by financial

⁵ The Terms of Reference can be found here: <https://assets-eu-01.kc-usercontent.com/99102f2b-dbd8-0186-f681-303b06237bb2/bcf857be-0260-40b2-8e73-2c3123694d4e/UKEB-Terms-of-Reference-2021.03.26.pdf>

⁶ As set out in Sections 5–8 and 10 in the Handbook, public consultation will be flexible and proportionate to the issue being addressed. For example, some other types of research papers will not need public consultation. Similarly, consultation with only a representative group of stakeholders for an urgent proposed narrow scope amendment is likely to be appropriate and lead to sufficient evidence to form the basis for adoption.

reporting, undertaking activities and due process procedures in a timely manner and providing a rationale for the decisions it makes.

- (b) Independence—to ensure that it acts in the UK’s long term public good and that it is independent from other organisations or stakeholder groups, including the FRC and BEIS.
- (c) Transparency—to undertake its activities in a transparent manner so that stakeholders are aware of current projects and understand how decisions have been made.
- (d) Thought leadership—to lead and represent the UK on international accounting standards and reporting.

3.4 These guiding principles are embedded into the processes described in this Handbook.

4 Mandatory Due Process Activities

Quorum of attendance and decision-making

- 4.1 Section 5 of the UKEB’s ToR sets out, amongst other requirements, the quorum for the UKEB Board (thereafter ‘Board’) meetings. This requires that a minimum of sixty percent of the appointed members (including the UKEB Chair as an appointed member) must attend a meeting of the Board (ToR, paragraph 5.1).
- 4.2 Decisions made at an UKEB public Board meeting are indicative only. They are formalised by circulation outside the meeting by a written vote (in paper or electronic form) and the vote constitutes proper evidence of the decisions of members of the Board (including the UKEB Chair as an appointed member). An affirmative vote of at least two-thirds of the members of the Board (including the UKEB Chair as an appointed member), is required for the decision to be passed. Each member of the Board has one vote.

Transparency of meetings and stakeholder observers

- 4.3 The UKEB’s ToR set out the operating procedures that the UKEB applies in carrying out its responsibilities. Those procedures include the frequency and form of Board meetings (in Section 6 of the ToR), as well as rules for observers attending these meetings (in Section 7 of the ToR).
- 4.4 The Board may hold meetings in person, by webcast, or by telephone or other similar means. In deciding the format of meeting, the UKEB Chair should take into consideration public access and attendance (ToR paragraph 6.2).
- 4.5 Regular meetings of the Board are planned as far in advance as is practicable to help the UKEB Secretariat (thereafter ‘Secretariat’), members of the Board, official observers (with speaking rights) of the Board, and stakeholders, prepare for those meetings. The meetings calendar is published on the UKEB website and is updated regularly.

- 4.6 Meetings will usually be held in public and open to attendance by members of the public (as non-speaking observers). However, the Board may hold certain discussions in private or in the presence of invited observers with speaking rights only. For instance:
- (a) Meetings held to discuss administrative issues and other non-technical matters (ToR paragraph 5.6); or,
 - (b) Education sessions held before public Board meetings, for example, to enable Board members to improve their understanding of new or complex proposals or standards or seek clarification about technical matters in staff papers.
- 4.7 Only Board members and observers with speaking rights will have the right to speak at Board meetings. The UKEB Chair may invite others to attend meetings as advisors when specialised input is required and may be invited to speak at all or part of any meeting, as and when appropriate. (ToR, paragraph 7.2).
- 4.8 Only public meetings are recorded and, whenever practicable, webcast live. Recordings of public meetings are made available on the UKEB website.

Minutes from Board Meetings

- 4.9 Section 9 of the UKEB's ToR sets out the requirement to minute the meetings and any resolutions decided by the UKEB to keep stakeholders informed about the UKEB's activities. Minutes are a summary of the main tentative decisions reached at a Board meeting and/or main areas of Board discussion.
- 4.10 Minutes from the public and private Board meetings are approved by Board Members.
- 4.11 Minutes for each Board meeting are published and made available on the UKEB website as soon after the meeting as practicable and usually within 10 working days following the meeting (ToR paragraph 9.3). The Secretariat is responsible for ensuring that the minutes reflect the Board's decisions at each meeting. The minutes serve also to inform interested parties about the progress made on technical projects in a timely manner.

UKEB Secretariat papers

- 4.12 Section 8 of the UKEB's ToR sets out requirements for the notice of meetings and Secretariat papers.
- 4.13 The Secretariat is responsible for developing papers with recommendations and supporting analysis of technical issues for consideration by the members of the Board.
- 4.14 The objective of the papers is to provide enough information for members of the Board to make informed decisions on technical matters. In developing these papers, the Secretariat is expected to conduct research and to seek advice from members of the Board. However, recommendations ultimately reflect Secretariat's views, after consideration of the information obtained.
- 4.15 The Board agenda and Secretariat papers for each public meeting are usually made available on the UKEB website no later than 5 working days, before they are scheduled for discussion at a Board meeting (ToR, paragraph 8.3). This is to allow Board members

enough time to consider and assess the Secretariat's recommendations. It is the responsibility of the UKEB members to assess whether they have sufficient information and time to be able to make decisions based on Secretariat's recommendations. Secretariat papers may have to be distributed closer to the meeting date, in exceptional circumstances only, and with the prior approval of the UKEB Chair. For example, if an urgent issue has arisen.

- 4.16 Also, only in exceptional circumstances, and taking into consideration the Guiding Principles, the UKEB Chair may, at their absolute discretion, decide that all or part of certain Secretariat papers used for discussion at public meetings should not be made publicly available (ToR, paragraph 8.4). This may be, for example, if releasing that information could breach UK law, commercial confidentiality or prejudice the conduct of public affairs. However, such circumstances are expected to be rare. Secretariat papers used for discussion at private Board meetings are not made publicly available.
- 4.17 The Secretariat may supplement papers orally at a Board meeting, for example, to provide an update on recent events.

Keeping stakeholders informed

- 4.18 As a part of the guiding principle of transparency, the UKEB is committed to keeping its stakeholders and the general public informed about its activities. The principal means of communication between the UKEB and its stakeholders is through public meetings on technical issues, and the posting of relevant information and documents on the UKEB website.
- 4.19 In particular, the UKEB publishes on its website:
- (a) its work plan, its meeting schedules and agenda;
 - (b) its progress on individual projects or Board's deliberations and compliance with due process by posting:
 - (i) public Secretariat papers;
 - (ii) minutes of the Board's main decisions after each public and private meetings and recordings of public Board meetings; and
 - (iii) materials relating to advisory group meetings and other project-related information.
 - (c) media and information releases relating to its activities;
 - (d) any IASB consultation documents open for comment by providing links to these documents on the IASB's website;
 - (e) the formal comment letters submitted to the UKEB where the respondent has not requested confidentiality; and
 - (f) access to educational materials or webinars.

4.20 All public materials, including those related to the UKEB due process, are freely available on the website.

Consultation with stakeholders

4.21 The UKEB operates transparently and gives fair consideration to the issues raised by UK stakeholders, and influences early in the development of international accounting standards by conducting timely outreach activities and regular consultations with stakeholders. This ensures stakeholders' concerns are heard and addressed and builds robust and evidence-based recommendations in line with the UKEB's influencing strategy. It also undertakes consultation with stakeholders relating to the endorsement and adoption of IASB standards or amendments and for its thought leadership and research programme.

4.22 The UKEB consults with stakeholders that represent different communities, (i.e. users, preparers, academics, accounting firms, accounting bodies and regulators) to gather their inputs, views, opinions and feedback on specific projects or technical matters.

4.23 The UKEB consults stakeholders:

- (a) on IASB's proposals for comment on proposals for new or amended international accounting standards (refer to Section 5–Influencing process) or on the IASB's research work (i.e. Discussion papers, Research papers or Requests for Information);
- (b) on tentative agenda decisions or Draft IFRIC Interpretations issued by the IFRS Interpretations Committee (refer to Section 10–Influencing the IFRS Interpretations Committee's activities);
- (c) on IASB's requests for information: for example, those issued for post-implementation reviews (refer to Section 8–Post-implementation reviews);
- (d) on UKEB's research work in line with its guiding principle of accountability and thought leadership (refer to Section 7–Thought Leadership and the Research programme);
- (e) on UKEB's post-implementation review work (refer to Section 8–sub-section on "Processes for a UKEB Post-implementation review"); and
- (f) before endorsing and adopting a new or amended international accounting standard in the UK⁷ (refer to Section 6 – Endorsement process).

⁷ Regulation 8 of the International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Statutory Instruments Regulation 2019 No. 685 (SI 2019/685), places an obligation to consult those with an interest in the "quality and availability of accounts, including users and preparers of accounts".

5 Influencing process

Setting-up a technical work plan

- 5.1 The UKEB's due process influencing process begins with a technical work plan. This plan comprises the set of technical projects the UKEB manages.
- 5.2 The UKEB's technical work plan includes:
- (a) technical issues identified by the IASB and by its IFRS Interpretations Committee (hereafter, Interpretations Committee)^{8,9}; and
 - (b) other technical issues (refer to Section 7–Thought Leadership and the Research programme).
- 5.3 Technical issues identified by the IASB are added to the UKEB's technical work plan. As a starting point, the UKEB assumes that where a technical issue is significant enough to be added to the IASB's technical work plan, similar issues exist in the UK.
- 5.4 The UKEB's technical work plan is updated regularly to reflect estimated project timelines based on recent Board's decisions and made available on the UKEB website.
- 5.5 The technical work plan is presented for the Board to approve at each private meeting. Once approved, it is uploaded onto the UKEB website. The work plan is regularly updated to reflect any changes made based on Board decisions.

Prioritising technical projects

- 5.6 In prioritising individual projects and allocating resources to them, the level of activities should be proportionate to the issue being addressed. To help assess the issue, the Board considers various factors, including:
- (a) the importance of the issue to UK stakeholders (i.e. users, preparers, academics, accounting firms, accounting bodies and regulators, and others interested in financial reporting);
 - (b) whether the issue has or is expected to have a minor effect on a large number of UK entities or a significant effect on a small number of UK entities using UK-adopted international accounting standards;
 - (c) interactions with other current or proposed projects on the work plan;
 - (d) the urgency of the issue; and
 - (e) the availability of staff resources.

⁸ These can consist of IASB projects and activities that are steps toward possible publications including research papers, discussion papers, requests for information, requests for views, exposure drafts, draft IFRIC Interpretations, final Amendments, Standards and final IFRIC Interpretations, or post-implementation reviews.

- 5.7 The assessment is not limited to using the IASB's assessment of the potential impact of a project as the UKEB's remit is different. The IASB considers the potential impact on many jurisdictions whereas the UKEB is assessing the potential impact from a UK perspective. This may mean that in the UK we allocate a different significance for a project when compared with the IASB. For example, where UK entities do not undertake the types of transactions addressed in an IASB project, the project would be allocated a lower significance and a reduced number of outreach activities would be planned.

Overview of the influencing process

- 5.8 The mandatory milestones expected to be achieved for most influencing projects (except for the situations explained in paragraph 5.10) are:
- (a) Project initiation plan.
 - (b) Desk-based research.
 - (c) Outreach.
 - (d) Draft comment letter.
 - (e) Final comment letter.
 - (f) Project closure, including Feedback Statement and Due Process Compliance Statement.
- 5.9 The activities undertaken to achieve the milestones in paragraph 5.8 should be proportionate to the technical issue(s) being addressed and will depend on its significance for UK stakeholders and on its complexity (i.e. nature or scope). For example, it is expected that for 'major' projects or for complex projects with major amendments, the activities undertaken would be far more extensive than for other 'minor' projects (i.e. amendments that meet the IASB's criteria for annual improvements or for narrow-scope amendments¹⁰), where some activities such as desk-based research or outreach activities may be somewhat more limited.
- 5.10 For 'urgent' amendments and for tentative agenda decisions issued by the Interpretations Committee the milestones in paragraph 5.8 are not mandatory due process steps because achieving those milestones may not always be possible. For example, making a draft comment letter available for consultation may not be possible and instead, consultation with a representative group of stakeholders and/or consulting with members of the UKEB's standing and/or ad-hoc advisory groups may be appropriate. However, the Secretariat should explain what steps will be undertaken and why some steps are being omitted, for Board approval.

¹⁰ 'Annual improvements' are amendments that meet the criteria in paragraphs 6.10–6.14 in the [IASB and IFRS Interpretations Committee Due Process Handbook](#) and are sufficiently minor or narrow in scope that are bundled together in a single Exposure Draft document (even though amendments are unrelated). 'Narrow-scope' amendments do not meet the criteria for annual improvements but meet the criteria in paragraph 5.16 in the same Handbook and are considered 'narrow' in scope.

Project Initiation Plan

- 5.11 For a technical project to be incorporated into the UKEB's work plan, a "Project Initiation Plan" (PIP) is prepared for approval by the Board.
- 5.12 The objective of the PIP is to assess the potential impact and scale of the proposals being addressed as part of the project and, consequently, the level of analysis and outreach that should be undertaken.
- 5.13 The PIP outlines the approach to the project, including the amount of desk-based research, outreach, key milestones, proposed timeline, available resources, objectives, and expected output (i.e. draft/final comment letter to the IASB). The activities described in the PIP should be proportionate to the issue being addressed. This approach should help ensure an appropriate level of resource is allocated to each project. Examples of where the proportionate approach could apply are:
- (a) The public consultation for a proposed narrow-scope amendment may be limited to the publication of a draft comment letter or an issues paper on the UKEB website, with an associated news alert.
 - (b) The public consultation for a tentative agenda decision, may be undertaken only with a number of stakeholders rather due to the time constraint.
- 5.14 A PIP for a project that is not categorised by the IASB as a narrow-scope amendment is discussed, revised as directed and approved by the Board in a public meeting as a separate agenda item. For an IASB project that is a narrow-scope amendment, a PIP is tabled for noting, thereby giving Board members the opportunity to discuss it. The Board can then determine whether it should be discussed as a separate agenda item.

Desk-based research

- 5.15 Desk-based research is undertaken to assist with the assessment of proportionality and to gather evidence on the issue. This will usually include a review of the IASB's previous work on this issue. It may also include, for example, a review of literature, academic papers, financial statements or of past papers or reports (by other national standard-setters or by other stakeholders (i.e. users, preparers, academics, accounting firms, accounting bodies and regulators). Additionally, the UKEB could liaise with national standard-setters who have carried out influencing activities or are in the process of performing such activities on the same (or related) project.

Outreach activities

- 5.16 The UKEB promotes awareness and generally responds to all IASB projects that are relevant to the UK.
- 5.17 Outreach activities will be proportionate to the significance and complexity (i.e. nature or scope) of the project (i.e. relevant standard or amendment).
- 5.18 The outreach that the UKEB undertakes might include:

- (a) convening and obtaining input from standing advisory groups and/or ad-hoc advisory groups¹¹;
- (b) meetings and/or interviews with stakeholders, including users, preparers, academics, accounting firms, accounting bodies and regulators;
- (c) undertaking fieldwork (see below);
- (d) the commissioning of external economic studies (i.e. data gathering and analysis conducted by external consultants to assess aspects of the economic impact of a standard on the UK); and
- (e) arranging informal meetings with IASB members and/or staff and their participation in UK outreach events.

5.19 Liaison with the IASB when undertaking outreach on an IASB due process document, e.g. an Exposure Draft, can enhance the efficiency and effectiveness of the UKEB's work. Examples of benefits could include:

- a) enhanced credibility and attraction of outreach events if conducted jointly with the IASB; and
- b) greater insight into technical issues.

5.20 The UKEB will maintain full transparency about its interaction with the IASB and other stakeholders. Steps will include:

- a) maintaining a public register of meetings between senior staff and Board members of the IASB and of the UKEB; and
- b) being transparent about the sources of information used in UKEB material.

Fieldwork

5.21 Fieldwork can be undertaken in a variety of ways and could include, but is not limited to:

- (a) **Surveys**—organised to gather data, information, and facts on a specific subject;
- (b) **Field tests**—include testing the application of technical proposals as if they were already in effect, in order to assess the understandability of the requirements and/or the resulting implementation issues. Field tests can be based on, for example:
 - (i) the completion of case studies;
 - (ii) asking participants to assess how a technical proposal would apply to actual transactions;

¹¹ Refer to Section 9 'Advisory Groups' in this Handbook.

- (iii) asking users how they process information; or
- (iv) assessing how accounting systems may be affected;
- (c) **Workshops or interviews**—bring interested parties together and allow for in-depth analysis (for example to assess how technical proposals might be interpreted or applied) or to ensure the correct understanding of the results of a survey or field test.
- (d) **Public events**—meetings with a larger number of interested stakeholders and organisations to listen to, and exchange views on, specific topics. These could take the form of roundtables, discussion forums, webinars and webcasts. These public events provide stakeholders with the opportunity to better understand and present their views on developing proposals.

5.22 Fieldwork can focus on one or more specific groups of stakeholders (i.e. users, preparers, academics, accounting firms, accounting bodies and regulators).

Draft comment letter

5.23 A draft comment letter, explaining the UKEB's preliminary response to an IASB's or an Interpretations Committee's consultation document (refer to Appendix B in this Handbook) is made available for public consultation on the UKEB website once approved by the Board. This letter is normally preceded by an Invitation to Comment that sets out the matters on which feedback is sought. The minimum consultation period for a Draft Comment letter is not less than 4 weeks unless there are exceptional circumstances.

5.24 For 'urgent' amendments making a draft comment letter available for consultation may not be possible and instead, consultation with a representative group of stakeholders and/or consulting with members of the UKEB's standing and/or ad-hoc advisory groups may be appropriate.

Final comment letter

5.25 The UKEB considers the stakeholder feedback received on the draft comment letter and uses this input to issue a final version of the comment letter to the IASB. The final comment letter is submitted to the IASB and posted on the UKEB website along with the formal comment letters submitted to the UKEB (where the respondent has not requested confidentiality) and the Feedback Statement (see section below).

Project closure

Feedback statements

5.26 Input and feedback received on a draft comment letter (and any other input and feedback derived from other outreach activities) is recorded, assessed, the evidence evaluated, and reported in a Feedback Statement.

5.27 The purpose of a Feedback Statement is to inform stakeholders how the UKEB has responded to, or has addressed, the main comments or views received from

stakeholders who participated in a specific outreach events or submitted comment letters on a specific project.

5.28 A Feedback Statement demonstrates the UKEB's adherence to its overarching guiding principles as follows:

- (a) *Accountability* to stakeholders who submitted comment letters and/or participated in outreach, to the FRC as oversight body, and others, that the UKEB is taking account of stakeholders' views and fulfilling its due process obligations.
- (b) *Transparency* about how the main comments or views have been addressed.
- (c) *Independence* in that the UKEB acts in the UK's long term public good and is independent in its assessment of comments or views received from stakeholders and in determining the content of its final comment letter to the IASB.

5.29 Although the objective of all Feedback Statements is the same, the form and content will be proportionate to the objective of the underlying document, e.g. Discussion Papers have different objectives from Exposure Drafts. In general, a Feedback Statement includes the following content:

- (a) an objective;
- (b) a brief description of technical IASB's proposal(s), i.e. summary background;
- (c) an explanation of the main feedback received through comment letters or other fieldwork or outreach activities;
- (d) a description of the UKEB's response (i.e. how comments or views received from stakeholders have been addressed); and
- (e) a summary of the sources of stakeholder comments, e.g. from individual stakeholder meetings, formal responses to draft comment letters or via other outreach events.

5.30 The Board discusses and provides comments on a draft Feedback Statement and approves the final Feedback Statement for publication.

5.31 A Feedback Statement is published on the UKEB website, usually at the same time the final comment letter to the IASB is submitted.

Due Process Compliance Statement

5.32 The Secretariat summarises the due process activities undertaken in a closing control report called "Due Process Compliance Statement. For a description and content of this Statement refer to paragraph 11.2 in Section 11 of this Handbook.

6 Endorsement process

UK Statutory requirements for endorsement and adoption

- 6.1 New or amended international accounting standards issued by the International Accounting Standards Board (IASB) are not part of UK-adopted international accounting standards until the UKEB has endorsed and adopted those standards¹².
- 6.2 The primary objective of endorsing and adopting international accounting standards for use in the UK as set out in SI 2019/685¹³ is to harmonise the financial information presented by relevant companies 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 United Kingdom.
- 6.3 The regulatory power embodied in the UKEB's endorsement and adoption function lends weight and authority to the UKEB's influencing activity.
- 6.4 The UKEB adopts international accounting standards for use within the UK, in accordance with regulations 6–9 in SI 2019/685 (these Regulations are described below).
- 6.5 Regulation 7—requires that an international accounting standard only be adopted if:
- a) “the standard is not contrary to either of the following principles—
 - (i) an undertaking's accounts must give a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss;
 - (ii) consolidated accounts must give a true and fair view of the assets, liabilities, financial position and profit or loss of the undertakings included in the accounts taken as a whole, so far as concerns members of the undertaking;
 - b) the use of the standard is likely to be conducive to the long term public good in the United Kingdom; and
 - c) the standard meets the criteria of understandability, relevance, reliability and comparability required of the financial information needed for making economic decisions and assessing the stewardship of management.”

¹² On Friday 21 May 2021, the Secretary of State for Business, Energy and Industrial Strategy (BEIS) delegated statutory powers to the newly established UK Endorsement Board (UKEB). One of the UKEB's delegated functions is the responsibility for the endorsement and adoption of IFRS for use by UK companies.

¹³ Regulation 5 of SI 2019/685: <https://www.legislation.gov.uk/uksi/2019/685/made>. See also section 2 in this Handbook.

- 6.6 Regulation 8—contains a requirement to consult those with an interest in the quality and availability of accounts, including users and preparers, before adopting a standard.
- 6.7 Regulation 6—permits the adoption of a standard in part only and/or to extend an option available as part of a standard. The Regulation states that this may occur “in exceptional circumstances”. Regulation 6(3)(b) indicates that the amended standard (i.e. the part-adopted standard) would need to meet the endorsement criteria set out in Regulation 7.
- 6.8 Regulation 9—sets out the requirement to publish a final decision on adopting a new or amended international accounting standard.

Overview of UKEB endorsement and adoption process

- 6.9 The UKEB applies its own process before it decides to endorse and adopt a new or amended international accounting standard. This process is to ensure the Board fulfils its statutory responsibilities (set out in Section 2) for the endorsement and adoption of an IASB standard or amendment into UK-adopted international accounting standards. This process takes place after a new or amended standard has been issued by the IASB and before the standard is effective. This process is described below.
- 6.10 The mandatory milestones expected to be undertaken for most endorsement and adoption projects (except for the situations explained in paragraph 6.12) are:
- (a) Project initiation plan.
 - (b) Desk-based research.
 - (c) Public consultation on a draft Endorsement Criteria Assessment (DECA).
 - (d) Outreach activities.
 - (e) Project closure, including vote on adoption with the following documents:
 - (i) Final Endorsement Criteria Assessment (ECA).
 - (ii) Feedback Statement.
 - (iii) Due Process Compliance Statement.
 - (iv) Adoption Statement.
 - (f) Publication of the documents set out in (e).
- 6.11 The activities undertaken to achieve the milestones in paragraph 6.10 should be proportionate to the technical issue(s) being addressed and will depend on its significance for UK stakeholders and on its complexity (i.e. nature or scope). For example, it is expected that for ‘major’ projects or for complex projects with major amendments, the activities undertaken would be far more extensive than for other ‘minor’ projects (i.e. amendments that meet the IASB’s criteria for annual improvements or for narrow-scope amendments), whereas some activities (i.e. desk-based research or outreach activities) may be more limited.

6.12 For 'urgent' amendments or 'minor' amendments that meet the IASB's criteria for annual improvements or for narrow-scope amendments the milestones in paragraph 6.10 are not mandatory due process steps. This is because for 'minor' amendments the outreach activities may be mainly focused on obtaining responses on the Draft Endorsement criteria Assessment (DECA). For urgent amendments, making a DECA publicly available on the UKEB website for consultation may not be possible, and instead, consultation with a representative group of stakeholders and/or consulting with members of the UKEB's standing and/or ad-hoc advisory groups may be appropriate¹⁴. However, the Secretariat should explain what steps will be undertaken and why some steps are being omitted, for Board approval.

Project Initiation Plan

6.13 For a new or amended international accounting standard to be endorsed and adopted by the UKEB, a "Project Initiation Plan" (PIP) is prepared for approval by the Board.

6.14 The objective of the PIP is to assess the potential impact and scale of the new or amended standard and, consequently, the level of analysis and outreach that should be undertaken.

6.15 The PIP outlines the approach to the project, including the amount of desk-based research, outreach, key milestones, proposed timeline, available resources, objectives and expected output (i.e. draft/final Endorsement Criteria Assessment). The activities described in the PIP should be proportionate to the standard or amendment under consideration for adoption. This approach should help ensure an appropriate level of resource is allocated to each project.

6.16 A PIP for a project that is not categorised by the IASB as a narrow-scope amendment (or as an annual improvement) is discussed, revised as directed and approved by the Board in a public meeting as a separate agenda item. For an IASB project that is a narrow-scope amendment (or an annual improvement), a PIP is tabled for noting, thereby giving Board members the opportunity to discuss it. The Board can then determine whether it should be discussed as a separate agenda item.

Desk-based research

6.17 Desk-based research is undertaken to assist with the assessment of proportionality and to gather evidence on the issue. This will usually include a review of the IASB's previous work on this issue. It may also include, for example, a review of literature, academic papers, financial statements or of past papers or reports (by other national standard-setters or by other stakeholders (i.e. users, preparers, academics, accounting firms, accounting bodies and regulators) as well as liaising with national standard-setters who have endorsed or are in the process of endorsing the same new or amended standard. .

Draft endorsement criteria assessment (DECA)

6.18 The UKEB endorsement criteria is set out in paragraph 6.5 of This Handbook.

¹⁴ This is consistent with Regulation 8 of Statutory Instrument (SI) 2019/685.

Content

6.19 In general, a DECA considers and addresses the following:

- (a) Introduction: legislative framework and approach to the assessment:
 - (i) Purpose of the DECA;
 - (ii) Summary and explanation of legislative background to endorsement criteria; and
 - (iii) Description of endorsement criteria (including text of criteria from SI 2019/685) and what is meant by each criterion;
- (b) Rationale for the new or amended international accounting standard, i.e. summary background, context and objectives and main accounting requirements;
- (c) Technical criteria assessment:
 - (i) whether the standard meets the criteria of relevance, reliability, comparability and understandability required of the financial information needed for making economic decisions and assessing the stewardship of management (SI 2019/685 Regulation 7(1)(c)); and
 - (ii) whether the standard is not contrary to the principle that an entity's accounts must give a true and fair view (SI 2019/685 Regulation 7(1)(a)).
- d) Whether use of the new or amended standard is likely to be conducive to the long term public good in the UK (SI 2019/685 Regulation 7(1)(b)), including:
 - (i) whether the use of the standard is likely to improve the quality of financial reporting;
 - (ii) the costs and benefits that are likely to result from the use of the standard; and
 - (iii) whether the use of the standard is likely to have an adverse effect on the economy of the UK, including on economic growth.

6.20 A DECA is made available for public consultation on the UKEB website. In exceptional circumstances for an urgent amendment this may not be possible and instead, consultation with a representative group of stakeholders, and/or consulting with members of the UKEB's standing and/or ad-hoc advisory groups may be appropriate. However, the Secretariat should explain what steps will be undertaken and why some steps are being omitted, for Board approval.

6.21 The minimum consultation period is not less than 4 weeks unless there are exceptional circumstances. During this period, technical staff conducts outreach activities to gather input and feedback. In exceptional circumstance, for example, where an amendment is urgently required to be adopted by entities, the Board may approve a shorter comment period.

Outreach activities

- 6.22 Outreach activities will be proportionate to the significance and complexity (i.e. nature or scope) of the project (i.e. relevant standard or amendment) and may be undertaken throughout the endorsement assessment period.
- 6.23 For example, in the case of the endorsement of annual improvements or narrow-scope amendments, outreach activities are targeted to obtain sufficient responses on the DECA.
- 6.24 In exceptional circumstances, for urgent amendments, making a DECA available for consultation may not be possible, and instead, consultation with a representative group of stakeholders and/or consulting with members of the UKEB's standing and/or ad-hoc advisory groups may be appropriate.
- 6.25 For more complex projects that include major amendments the UKEB may need or decide to conduct additional outreach activities due to the nature and/or size of the amendment or standard to be endorsed and adopted. This is, for example, when:
- a) an amendment or standard changes an area of accounting that affects most UK entities applying UK-adopted international accounting standard; or
 - b) an amendment or standard changes an area of accounting that affects a small number of UK entities applying UK-adopted international accounting standards but it is a major change.
- 6.26 Additional outreach activities that could be undertaken to gather input, views, opinions or feedback are described in section 5 of this Handbook (paragraphs 5.18–5.22).

Project closure

Voting on the adoption of a new or amended international accounting standard

- 6.27 The formal voting process by which Board members make a decision on the adoption of a new or amended international accounting standard are set out in the UKEB's Terms of Reference (Section 5, paragraphs 5.1–5.2).
- 6.28 Decisions made at public Board meetings follow the requirements of the UKEB's Terms of Reference as follows:
- (a) Quorum attendance—a minimum of sixty percent of the appointed members¹⁵ are required to attend a meeting of the Board (ToR, paragraph 5.1).
 - (b) Decision-making—an affirmative vote of at least two-thirds of the appointed Board members (ToR, paragraph 5.2), is required for the decision to be passed. Each member of the Board has one vote. A situation where the two-thirds majority cannot be obtained, may restart the endorsement and adoption process.

¹⁵ The term 'members' includes the UKEB Chair.

6.29 A “tentative” vote on the adoption of a new or amended international accounting standard is made at a public Board meeting and is indicative only. A formal vote is required to endorse and adopt a new or amended international accounting standard. This vote is formalised by circulation outside the meeting by a written vote (in paper or electronic form), and the vote constitutes proper evidence of the decision of the members of the Board

6.30 A formal written vote is accompanied by the following documents:

- a) a copy of the new or amended international accounting standard;
- b) a copy of the ‘Adoption package’ that includes:
 - (i) A final Endorsement Criteria Assessment (ECA);
 - (ii) A Feedback statement;
 - (iii) A Due Process Compliance Statement; and
 - (iv) An Adoption statement.

6.31 Once the vote is completed the ‘Adoption package’ is published on the UKEB website.

Adoption package

6.32 The following paragraphs set out a description of the content of the individual documents included in the ‘Adoption package’.

Final Endorsement Criteria Assessment (ECA)

6.33 The UKEB considers the stakeholder feedback received on the DECA and uses this input to issue a final version of the Endorsement Criteria Assessment (final ECA)

Feedback statement

6.34 Consultation feedback received on the DECA (and any other input and feedback derived from other outreach activities) is recorded, assessed, the evidence evaluated, and reported to the UKEB in a Feedback Statement.

6.35 The purpose of a Feedback Statement is to inform stakeholders how the UKEB has responded to, or addressed, the main comments or views received from stakeholders. It also demonstrates the UKEB’s adherence to its overarching guiding principles (accountability, transparency, independence and thought leadership).

6.36 The form and content of the Feedback Statement will be proportionate to the objective of the underlying document and would generally include the following content:

- a) an objective;
- b) summary background of the new or amended standard;

- c) an explanation of the main feedback received on the DECA, through comment letters or other outreach activities;
- d) a description of the UKEB's response (i.e. how comments or views received from stakeholders have been addressed in the final ECA); and
- e) a summary of the sources of stakeholder comments, e.g. from individual stakeholder meetings, formal responses to the DECA or via other outreach events.

6.37 The Board discusses and provides comments on a draft Feedback Statement and approves the final Feedback Statement for publication.

6.38 A Feedback Statement is published on the UKEB website, usually at the same time as the final ECA is finalised.

Due Process Compliance Statement

6.39 The Secretariat summarises the due process activities undertaken in a closing control report called "Due Process Compliance Statement". For a description and content of this Statement refer to paragraph 11.2 in Section 11 of this Handbook.

Adoption statement

6.40 The Adoption statement includes:

- a) a statement that the new or amended standard has been:
 - (i) adopted for use within the UK, in compliance with the requirements in Regulations 7 and 8 of SI 2019/685 and reasons for this decision; or
 - (ii) been partially adopted in accordance with paragraph (3) of Regulation 6 of SI 2019/685 and any reasons for this decision;
- b) when applicable, reasons for extending the scope of undertakings eligible to use an option in the standard in accordance with paragraph (4) of Regulation 6, setting out the full details;
- c) a description of the financial years in respect of which that standard must be used; and
- d) the wording of the adopted standard (in a separate document).

6.41 On an annual basis, the UKEB updates the new or amended international accounting standards that have been adopted during the year to the consolidated text of UK-adopted international accounting standards¹⁶

¹⁶ This is consistent with Regulation 9(3) of Statutory Instrument (SI) 2019/685.

7 Thought leadership and research programme

Objectives of thought leadership

- 7.1 As part of the guiding principle of thought leadership, paragraph 4.5 of the UKEB's ToR states that the UKEB is committed to:
- (a) lead the UK debate on international accounting standards and reporting;
 - (b) participate pro-actively in the development of new global standards, for example by undertaking research;
 - (c) represent UK views in international fora with the aim of influencing debate; and
 - (d) engage with accounting, reporting, endorsement and adoption bodies in other jurisdictions, in order to improve influence and understand best practice.

Leading the UK debate

- 7.2 The UKEB leads the UK debate on international accounting standards and reporting by ensuring that the views from UK stakeholders are heard and their needs understood during the development of new or amended international accounting standards.
- 7.3 The UKEB achieves this by:
- (a) identifying key stakeholder groups, preparing outreach plans, and taking suitable approaches to each stakeholder group;
 - (b) giving UK stakeholders a platform to provide specialist input on areas of concern through roundtables, forums, workshops, panel discussions or education sessions organised by the UKEB or through the UKEB's advisory groups;
 - (c) soliciting UK stakeholders' comment on public consultation documents and/or UKEB's draft comment letters; and
 - (d) arranging, where appropriate, for IASB Board members and/or for IASB staff to participate in UKEB's outreach events to enable first-hand understanding of any concerns or views expressed by UK stakeholders.

Participating proactively in the development of global standards

- 7.4 The UKEB proactively participates in the development of new global accounting standards by:
- (a) engaging with UK stakeholders and collecting evidence on relevant technical issues (that may not be considered by the IASB or other national standard-setters);
 - (b) developing potential ways to improve or remedy deficiencies in international accounting standards; and

- (c) working closely with others on long-term proactive work to stimulate debate on financial reporting matters on the IASB agenda at an early stage in the standard-setting process.

Representing UK views in international fora or in media with the aim of influencing debate

7.5 The UKEB directly influences the IASB Board and maintains a global presence on the international financial stage by:

- (a) identifying and promoting the appointment of UK representatives to the IASB. For example, to the IASB's Accounting Standards Advisory Forum (ASAF) to ensure that UK input on major technical issues related to the IASB's standard-setting activities is discussed and considered in this forum;
- (b) maintaining effective relationships, communication and presence with the IASB and other national standard-setters. For example, by:
 - (i) participating in the World Standard-Setters conference organised by the IASB to share international accounting standards implementation and application experiences with other standard-setters around the world;
 - (ii) participating in other international accounting forums organised by other parties independently (e.g. International Forum of Accounting Standard-Setters (IFASS));
 - (iii) regularly attending (in person or remotely) key meetings and conferences of international financial reporting bodies to ensure adequate analysis and input, including expressing UK views;
- (c) developing and presenting the UKEB's own thought leadership material to promote UK views and lead on the accounting debate at relevant international fora;
- (d) communicating outcomes from international engagements to UK stakeholders, to assist in identifying concerns with international proposals; and
- (e) issuing articles, podcasts or videos, to stimulate debate on a particular matter or technical issue. The Board does not express any opinion or tentative views on the matters presented in such papers or reports.

Engaging with other bodies in other jurisdictions

7.6 Regular contact between the UKEB and other national standard-setters in other jurisdictions can help increase the understanding, awareness and support for UK views, thereby, allowing the UKEB to lead on the accounting debate.

7.7 The UKEB and other national standard-setters can interact in a range of ways including developing joint thought leadership and research documents, regular and ad-hoc emails, conferences and roundtables, blogs, articles, regional forums or telephone exchanges.

Research programme

Objective

- 7.8 Research is generally directed to identify specific issues associated with projects that are on the UKEB's technical agenda. As such, research may be expected to have a problem-solving orientation by collecting evidence on the nature and extent of the perceived shortcomings of and assessing potential ways to improve or to remedy a deficiency in international accounting standards.
- 7.9 This type of research helps the UKEB:
- (a) identify a new research project that could potentially be included in the UKEB's work plan; or
 - (b) assist the IASB in the identification of a new technical issue (for example, in response to the IASB's five-yearly agenda consultation request).
- 7.10 Other more explorative research may also be performed by the UKEB to include the consideration of broader financial reporting matters, such as how financial reporting is evolving, and to encourage international debate on financial reporting matters. This type of research may be formally added to the UKEB's technical agenda.
- 7.11 Research may be undertaken by the UKEB on its own or collectively with others (i.e. national standard-setters, regulators, academics and other interested parties); the latter when there are topics of mutual interest.

Main outputs

- 7.12 The primary outputs derived from the UKEB's research programme are explained in the table below:

Type	Discussion Paper	Research Paper	Request for Information
Issued by	The Board.	The Secretariat	The Board.
Description	A Discussion Paper includes a comprehensive overview of technical issues, possible approaches to addressing these issues and preliminary views from the Board and an Invitation to Comment.	A Research Paper includes a comprehensive overview of technical issues. It may include possible approaches to addressing these issues and preliminary views from the Secretariat and an invitation to comment.	A Request for Information is a formal request for information or feedback on a matter related to technical projects or broader consultations. This includes seeking comments on the UKEB's technical work plan, post-implementation

Type	Discussion Paper	Research Paper	Request for Information
		It is prepared by the Secretariat on its own. It may include collaborations from other national standard-setters or bodies.	reviews ¹⁷ , or help in assessing the practical implications of a potential financial reporting requirement.
Reflects Board members' views?	Yes – Reflects the Board's analysis and collective view on a particular topic, although the discussion will reflect and convey any significant differences in Board members' views.	No – Reflects views from the Secretariat.	No – It is a request for information and does not reflect views from the Board or from the Secretariat.
Discussed at a public Board meeting?	Yes – The matters included in a Discussion Paper are discussed at public Board meetings.	Can be discussed at a public Board meeting to provide some input to the Secretariat. However, a Research Paper will not include any formal or preliminary views from the Board.	Yes – The matters included in a Request for Information are discussed at public Board meetings. However, a Request for Information will not include any formal or preliminary views from the Board.
Approval by the Board	To be published a Discussion Paper requires the affirmative vote of at least two-thirds of the members of the Board. The voting is made at a public Board meeting and is indicative only. The vote is formalised by circulation outside the meeting by a written vote (in paper or electronic form), and the vote constitutes proper evidence of the decision of the Board.	To be published a Research Paper requires the support of a simple majority of the full Board members, with approval given in a public meeting.	To be published a Request for Information requires the support of a simple majority of the full Board members, with approval given in a public meeting.

¹⁷ Section 8 of this Handbook 'Post-implementation Reviews' provides an overview of the process that the UKEB follows for conducting its own post-implementation reviews.

Milestones

- 7.13 The mandatory milestones expected to be achieved for most research projects (except for the situation explained in paragraph 7.15) are:
- (a) Identification of issues for research;
 - (b) Project initiation plan;
 - (c) Desk-based research;
 - (d) Outreach;
 - (e) Publication of a Discussion Paper, a Research Paper or a Request for Information; and
 - (f) Project closure, including 1) a Feedback Statement (for a Discussion Paper) a comment letter summary (for a Research Paper and for a Request for Information) and 2) a Due Process Compliance Statement (only required when issuing a Discussion Paper).
- 7.14 The activities undertaken to achieve the milestones in paragraph 7.13 should be proportionate to the issue(s) that are part of the UKEB's research and will depend on its significance for UK stakeholders and on its complexity (i.e. nature or scope). For example, it is expected that for 'major' research projects the activities undertaken would be far more extensive than for other 'minor' research projects where some activities such as desk-based research or outreach activities may be somewhat more limited.
- 7.15 For a Research Paper that is not requesting views or input from the public, the milestone in paragraph 7.13(f) is not a mandatory due process step.

Identification of issues for research

- 7.16 The Secretariat may identify or may receive proposals to research an issue (for example from academics) and submit research proposals to the UKEB Chair for consideration. Proposals may arise from the Secretariat own research, from a Board member, from consulting with the UKEB's advisory groups or from comments and information gained from public hearings, fieldwork (refer to paragraphs 5.21–5.22 of this Handbook) as well as stakeholder comment letters.

Project Initiation Plan

- 7.17 For a research project to be incorporated into the UKEB's work plan, a "Project Initiation Plan" (PIP) is prepared for approval by the Board.
- 7.18 The objective of the PIP is to assess the potential impact and scale of the research project and, consequently, the level of analysis and outreach that should be undertaken.
- 7.19 The PIP outlines the approach to the project, including the amount of desk-based research, outreach, key milestones, proposed timeline, available resources, objectives, project scope and expected output (i.e. Research Paper, Discussion Paper or a Request

for Information). The activities described in the PIP should be proportionate to the issue being addressed. This approach should help ensure an appropriate level of resource is allocated to each project.

7.20 If the research is carried out collectively with other parties (i.e. national standard-setters, regulators, academics or others) then agreement on the following will be achieved before commencement of work:

- (a) the responsibilities and expectations of each party involved, including expectations about use of the project output;
- (b) whether the project will present only an analysis of the facts or whether it will contain views or recommendations; and
- (c) the expected output (i.e. Research Paper, Discussion Paper or Request for Information), copyright and publication rights over the output.

7.21 The UKEB usually allows a minimum of 90 days for comment on such a consultation. If the information request is narrow in scope and/or urgent the UKEB may set a shorter period.

Desk-based research

7.22 Desk-based research is undertaken to assist with the assessment of proportionality and to gather evidence on the issue. This will usually include a review of the IASB's previous work on this issue. It may also include, for example, a review of literature, academic papers, financial statements or of past papers or reports (by other national standard-setters or by other stakeholders (i.e. users, preparers, academics, accounting firms, accounting bodies, regulators or others), as well as liaising with national standard-setters who have who have performed or are in the process of performing research on the same (or related) project.

Outreach

7.23 Outreach is conducted with stakeholders that represent different stakeholder communities, (i.e. users, preparers, academics, accounting firms, accounting bodies and regulators) to gather their input, views, opinions or feedback on specific projects or technical matters.

7.24 The outreach activities that could be undertaken to gather input, views, opinions or feedback are described in section 5 of this Handbook (paragraphs 5.18–5.22).

Publication

Discussion Papers

7.25 Board members make a decision at a public meeting about the publication of a Discussion Paper.

7.26 Decisions made at public Board meetings follow the requirements of the UKEB's Terms of Reference (Section 5, paragraphs 5.1–5.2 of the ToR):

- (a) Quorum attendance—a minimum of sixty percent of the appointed members¹⁸ are required to attend a Board meeting. (ToR, paragraph 5.1).
- (b) Decision-making—an affirmative vote of at least two-thirds of the appointed Board members (ToR, paragraph 5.2), is required for the decision to be passed. Each Board member has one vote.

7.27 A “tentative” vote on the publication of a Discussion Paper is made at a public Board meeting and is indicative only. A formal vote is required to approve the publication of a Discussion Paper. This vote is formalised by circulation outside the meeting by a written vote (in paper or electronic form), and the vote constitutes proper evidence of the decision of the members of the Board.

7.28 A formal written vote is accompanied by a copy of the Discussion Paper.

Research Papers and Requests for Information

7.29 Research Papers and Requests for Information do not require a formal written vote by the Board and only require the support of a simple majority of the full Board, with approval given in a public meeting.

Project closure

Feedback Statement required when issuing a Discussion Paper

7.30 Input and feedback received on a Discussion Paper is recorded, assessed, the evidence evaluated, and then incorporated into the analysis and discussion of the technical issues in a “Feedback Statement”. For the objectives and content of this statement refer to paragraphs 5. 26–5.29 in this Handbook.

Comment Letter Summary required when issuing a Research Paper or a Request for Information

7.31 Input and feedback received on a Research Paper or on a Request for Information is summarised in a “Comment Letter Summary”.

7.32 In general, a Comment Letter Summary includes the following content:

- (a) a brief description of the research project, i.e. summary background;
- (b) an explanation of the main feedback received through comment letters or other fieldwork or outreach activities; and
- (c) a summary of the sources of stakeholder comments, e.g. from individual stakeholder meetings, formal responses to research papers and/or requests for information or via other outreach events.

7.33 A Comment Letter Summary on a Research Project or on a Request for Information is discussed at a Board meeting and published on the UKEB website.

¹⁸ The term ‘members’ includes the Chair.

Due Process Compliance Statement—required for a Discussion paper

7.34 For a research project that involves issuing a Discussion Paper the Secretariat summarises the due process activities undertaken in a closing control report called “Due Process Compliance Statement. For a description and content of this Statement refer to paragraph 11.2 in Section 11 of this Handbook.

8 Post-implementation reviews

Introduction

8.1 A post-implementation review (PIR) assesses the effect of a new or amended international accounting standard or of a major amendment to an international accounting standard and determines whether:

- (a) the requirements in international accounting standards result in reporting entities providing financial information that is useful in making informed economic decisions;
- (b) there are any significant unexpected changes to financial reporting or operating practices resulting from the application of the international accounting standard;
- (c) there are unexpected costs or challenges in applying the international accounting standard;
- (d) there are any areas of the international accounting standard that represent interpretation challenges and, as a result, impair the consistent application of the international accounting standard; and
- (e) the international accounting standard is understandable and it is being applied as intended, and whether preparers are able to report the information reliably.

Influencing IASB Post-implementation reviews

8.2 The UKEB’s work on influencing the development of international accounting standards includes monitoring and responding to IASB post-implementation reviews of international accounting standards.

8.3 The IASB is required to conduct a post-implementation review of each new IFRS Standard or major amendment. This review normally begins after the new requirements have been applied internationally for two years¹⁹. The IASB commences its post-implementation review with a Request for Information which sets out the initial identification and assessment of the matters to be examined.

8.4 The UKEB follows the influencing processes in Section 5 of this Handbook to respond to an IASB Request for Information.

¹⁹ Refer to paragraphs 6.48–6.59 in the [IASB and IFRS Interpretations Committee Due Process Handbook](#).

- 8.5 In addition, the UKEB promotes awareness of IASB post-implementation reviews in the UK, and consults stakeholders and its advisory committees, asking them for input.

Processes for a UKEB Post-implementation Review

Objectives

- 8.6 Paragraph 3 in Regulation 11 in SI 2019/685²⁰ contains a requirement to:
- (a) “carry out a review of the impact of the adoption of the standard; and
 - (b) publish a report setting out the conclusions of the review no later than 5 years after the date on which the standard takes effect (being the first day of the first financial year in respect of which it must be used)”.
- 8.7 Paragraph 4 in Regulation 11 in SI 2019/685 contains a requirement to:
- (a) carry out subsequent reviews from time to time; and
 - (b) publish a report setting out the conclusions of any review conducted.
- 8.8 The obligations in Regulation 11 in SI 2019/685 can be fulfilled for most international accounting standards by influencing and responding to IASB’s post-implementation reviews (refer to paragraphs 8.2–8.5 in this Handbook).
- 8.9 However, the UKEB may consider performing its own post-implementation review of international accounting standards to test their continuing relevance in line with the requirements in Regulation 11 in SI 2019/685. This should be done no later than 5 years after the date on which the international accounting standard takes effect, in accordance with paragraph (3)(b) of this Regulation..
- 8.10 The UKEB may decide to perform its own post-implementation review of an international accounting standard when for example:
- (a) the IASB decides not to undertake a detailed post-implementation review on an international accounting standard that has significance in the UK; or
 - (b) a change in a (revised) international accounting standard is so significant that a review is needed.
- 8.11 If the UKEB decides not to undertake a post-implementation review of a particular international accounting standard it may decide to start, instead, a research project following the processes set out in Chapter 7 of this Handbook.
- 8.12 Each post-implementation review that the UKEB carries out has two phases as described below.

²⁰ [<https://www.legislation.gov.uk/uksi/2019/685/made>].

First phase of a UKEB post-implementation review

- 8.13 In the first phase of a post-implementation review, the UKEB sets out the scope of the review, on the basis of targeted consultation with stakeholders that represent different stakeholder communities, (i.e. users, preparers, academics, accounting firms, accounting bodies and regulators²¹) to gather their input, views, opinions or feedback on specific projects or technical matters. These initial consultations help the UKEB establish the questions to ask in the public request for information.
- 8.14 Based on an initial assessment, the UKEB may determine that it would be premature to undertake a review at that time and decide not to conduct a post-implementation review.
- 8.15 The expected milestones for the first phase are:
- a) Project initiation plan (PIP);
 - b) Desk-based research;
 - c) Initial consultation;
 - d) Publication of a Request for Information; and
 - e) Project closure: issue of a Final report and of a Due Process Compliance Statement for a UKEB Post-implementation review.

Project Initiation Plan

- 8.16 The objective of the PIP is to assess the need to undertake a post-implementation review of an international accounting standard and if it is determined that the post-implementation review should go ahead, the PIP includes the level of analysis and outreach that should be undertaken.
- 8.17 The PIP outlines a proportionate approach for the review (i.e. the matters for which feedback is needed), including the amount of desk-based research, outreach, and the proposed timeline. It further explains why the UKEB should seek feedback on the matters specified and includes any initial assessment of the international accounting standard. The PIP will also set out the process that the UKEB followed in establishing the scope of the review.

Desk-based research

- 8.18 Desk-based research is undertaken to assist with the assessment of proportionality and to gather evidence on the need for a PIR. This will usually include review of:
- a) the IASB's and the UKEB's previous work on the issue to identify the issues that were important or contentious during the development of the international accounting standard, which should be identifiable from the Basis for Conclusions,

²¹ Refer to Section 9 'Advisory Groups' in this Handbook.

project summary, Feedback Statement and Effect Analysis, of the relevant Standard;

- b) any relevant research, including that performed by the Secretariat and academics; and
- c) any issues brought to the UKEB's attention prior to the commencement of the PIR.

8.19 It may also include, for example, a review of literature, academic papers, financial statements or of past papers or reports (by other national standard-setters or by other stakeholders (i.e. users, preparers, academics, accounting firms, accounting bodies and regulators), as well as liaising with national standard-setters who have carried out influencing activities or are in the process of performing such activities on the same (or related) project.

Initial consultation

8.20 The Board and its Secretariat will consult with stakeholders to help identify areas where unexpected costs or implementation problems were encountered.

8.21 This initial review should draw on the broad network of UKEB related bodies and interested parties, such as the UKEB's advisory groups, and other outside groups of, for example, preparers, auditors or users. The purpose of these consultations is to inform the UKEB so that it can establish an appropriate scope for the review. The extent of consultation needed for this phase will depend on the Standard being reviewed and pre-existing information about the implementation of that Standard.

Publication of a Request for Information

8.22 When the UKEB is satisfied that it has sufficient information to establish the scope of the review it issues a request for information on the Post-implementation review of the international accounting standard.

8.23 A Request for Information sets out the matters for which the UKEB is seeking feedback together with a rationale for the information being sought and any initial assessment by the UKEB of the impact of the international accounting standard.

8.24 Requests for Information do not require a written vote by the Board and only require the support of a simple majority of the Board members, with approval given in a public meeting.

8.25 The UKEB usually allows a minimum of 90 days for comment on such a consultation.

Second phase of a UKEB post-implementation review

8.26 In the second phase the UKEB collects information, via the request for information and a review of existing research, to help it assess the international accounting standard being reviewed. During this evidence-gathering phase of the post-implementation review the UKEB also conducts outreach activities to engage with different stakeholders.

Outreach activities

8.27 The UKEB's outreach activities will be focused on seeking implementation issues.

8.28 Outreach is conducted with stakeholders that represent different stakeholder communities, (i.e. users, preparers, academics, accounting firms, accounting bodies and regulators) to gather their input, views, opinions or feedback on specific projects or technical matters.

8.29 The UKEB undertakes outreach in the following ways:

- a) the use of standing advisory groups;
- b) convening and obtaining input from ad-hoc advisory groups such as Technical Advisory Groups (TAGs);
- c) meetings and/or interviews with stakeholders, including users, preparers, academics, accounting firms, accounting bodies and regulators;
- d) undertaking fieldwork (refer to paragraphs 5.21–5.22 of this Handbook);
- e) the commissioning of external economic studies (i.e. data gathering and analysis conducted by external consultants to assess aspects of the economic impact of a standard on the UK); and
- f) liaison with the IASB and other national standard-setters.

Project closure for a UKEB Post-implementation review

Final report

8.30 Input and feedback received on the request for information is recorded, assessed, the evidence evaluated, and then incorporated into the analysis and discussion of the technical issues.

8.31 When the UKEB has completed its deliberations, it presents its findings in a Final report that includes:

- a) an overview of the UKEB post-implementation review process and its timeline;
- b) background information to the international accounting standard under review;
- c) a summary of findings and next steps, including the areas for potential improvement and amendment;
- d) UKEB's tentative conclusions of the review;
- e) recommendations or steps it plans to take, if any, as a result of the review; and
- f) a summary of the sources of stakeholder comments, e.g. from individual stakeholder meetings, formal responses to the Request for Information or via other outreach events.

Due Process Compliance Statement

8.32 For a UKEB post-implementation review, the Secretariat summarises the due process activities undertaken in a closing control report called “Due Process Compliance Statement”. For a description and content of this Statement refer to paragraph 11.2 in Section 11 of this Handbook.

9 Advisory Groups

Introduction

9.1 The UKEB undertakes targeted consultation by appointing its own standing and ad-hoc advisory groups with the purpose of gathering technical advice, and other input on its projects or other technical matters (e.g. UK-specific implementation issues).

9.2 Members of advisory groups comprise experts that:

- (a) provide advice and recommendations on specific agenda projects for example by sharing:
 - (i) knowledge and understanding of financial reporting issues and/or concerns raised by UK stakeholders; and
 - (ii) up-to-date insight into developments and market sentiment on financial reporting matters, helping develop a timely understanding of any concern areas;
- (b) deliver best practice, practical experience, and expertise as well as potential solutions that can improve the quality of information; and
- (c) help amplify the UKEB’s views across the UK reporting community and drive the debate of contemporary issues in the international community.

9.3 In carrying out their work, advisory groups have regard to the UKEB’s Terms of Reference and Guiding Principles.

Composition of advisory groups

Types of advisory groups

9.4 Advisory groups are not decision-making bodies, but advisory in nature and can be standing or ad-hoc. Their characteristics are described in the table below:

Type	Standing	Ad-hoc
Duration	Advisory group with an indefinite life. Intended to be long-lived.	Intended to be short-lived for a pre-defined time or set duration and is project-based.

Type	Standing	Ad-hoc
Description	Provides regular and focused input on a wide range of strategic and technical issues.	Provides focused input on a wide range of technical issues. May support the implementation and/or transition to a new international accounting standard ²²
Members – stakeholder type	Usually includes stakeholders from a particular industry, sector or stakeholder type (i.e. preparers, auditors or users). It can also include a ‘mix’ of stakeholders with shared interests ²³ .	Usually includes a ‘mix’ of senior professionals from different stakeholder groups but with a specialist knowledge of the specific issue or technical area relevant to the group. It can also include a narrower (even single) stakeholder group when appropriate to a particular project (eg users or academics only for particular project, eg research project).
Benefits	Benefits are the same as for both standing and ad-hoc advisory groups. Enables the Board to access regular and timely advice on areas of specialist knowledge and receive a real-world view of the impact of proposals, generally on major projects.	

Types of participants

- 9.5 Participants in a UKEB’s advisory group (standing or ad-hoc) may originate from the following stakeholder groups:
- (a) *Users* – those with practical experience in analysing and using financial information as users of financial reporting information. Users include “buy-side” fund managers, institutional investors and retail investors as well as participants from “sell-side” investment banks and ratings agencies.
 - (b) *Preparers* – those with considerable practical experience of financial reporting and provide knowledge and understanding of the financial reporting issues faced by IFRS reporters. Preparers have backgrounds in large or small, listed or unlisted UK-based companies applying international accounting standards.
 - (c) *Academics* – researchers with expertise and experience in the use of accounting by individuals, organisations and government. This group could include researchers with interests in accounting policy, governance and environmental issues, quantitative analysis, wider corporate reporting and economics.

²² This may be the case for an advisory group providing expert perspectives (for example, in the operation of rate-regulatory schemes) or providing input on the implementation of new requirements in an international accounting standard.

²³ For example, accounting bodies and auditors have both a close interest in the use and implementation of international accounting standards and both have insights to share on the use of standards and on any concerns arising from that use.

- (d) *Accounting firms* – those with a close interest in the use and implementation of international accounting standards. Accounting firms have insights to share on a range of different sectors' use of international accounting standards and on any concerns arising from that use. They include large and medium-sized professional services firms in the UK.
- (e) *Accounting Bodies* – those with a close interest in the use and implementation of international accounting standards and providing insights on current and emerging issues.
- (f) *Regulators* – those that supervise a particular industry or business activity. Regulators have insights to share on the use of international accounting standards by different sectors and on any concerns arising from that use.

Operating procedures

Approval for the creation of an advisory group

- 9.6 The establishment of an advisory group is subject to Board approval by a majority of Board members.

Terms of reference

- 9.7 Each advisory group has its own Terms of Reference, setting out:

- (a) the advisory group's purpose and responsibilities;
- (b) membership rules;
- (c) meetings and administrative arrangements;
- (d) remuneration for members (if applicable); and
- (e) date of approval of the Terms of Reference and process for making changes.

- 9.8 An outline of the content of the Terms of Reference applicable to each advisory group (i.e. standing or ad-hoc) is included in Appendix C of this Handbook.

Recruitment

- 9.9 Consistent with the UKEB's guiding principles of accountability and transparency, all recruitment for advisory groups should be via a public advertisement, inviting applications. Appointments should be based on interviews with Board members and members of the Secretariat. The Board may wish to retain the option to make the occasional direct appointment, however, this would need to be in exceptional circumstances, for example where there are few experts in a particular area or no other expert is forthcoming.

Appointments and membership

- 9.10 In appointing members, the UKEB Chair seeks to ensure that the membership in the

advisory groups is diverse in terms of skills experience, background, race, gender and other characteristics.

- 9.11 Members of advisory groups are appointed in their personal capacity and only in exceptional circumstances, and at the discretion of the advisory group's chair, may they be represented by an alternate.
- 9.12 Membership to an advisory body is subject to ratification by the Board.
- 9.13 Depending on the advisory group's nature and purpose, the UKEB Chair may appoint a chair for the advisory group who may be either: an advisory group member, a Board member or a Secretariat member.
- 9.14 The membership of an advisory group is reviewed on a regular basis with the possibility that members may be appointable for consecutive terms. Members of advisory groups are appointed for an initial term of up to three years renewable for a second term of up to three additional years. The length of term may be shortened to allow for a staggered rotation of members to ensure continuity on the advisory group. Changes to appointments arising from such reviews are approved by the Board.

Meetings

- 9.15 Administrative support to the advisory group will be provided by the Secretariat as necessary, including organising meetings and updating members about the project's progress.
- 9.16 Technical papers for meetings of advisory groups will generally be prepared by Secretariat or members of the advisory group, as appropriate. All advisory groups' papers are confidential unless all members of the group agree to share them more widely or to issue papers which are presented at a public Board session.
- 9.17 Meetings of advisory groups may be attended by some Board members as approved by the UKEB Chair.
- 9.18 Meetings of advisory groups are usually closed and held in private. However, consistent with the UKEB guiding principles of accountability and transparency, the agendas and a summary of the discussions held by advisory groups (without attribution to members) are made available on the UKEB website. Members will be required to treat as confidential all information acquired in the exercise of their function as members. Advice may also sometimes be sought between meeting dates via email, telephone, video conference or other electronic means.
- 9.19 Where the Secretariat meets in private with an advisory group, it will report a summary of the output from the group to the Board at a public meeting.
- 9.20 Meetings of advisory groups may sometimes be opened to the public and if this is the case, meetings are webcast live (if possible), recorded and the papers discussed made available on the UKEB website. Representatives of other interested organisations that attend as observers may have speaking rights if the chair deems it beneficial to the work of the group. An advisory group can also, through its chair, invite other specialists to its meetings for specific agenda items.

9.21 Members of advisory groups will be expected to:

- (a) review all relevant material before the meeting;
- (b) provide specialist knowledge and technical advice in line with the purpose and responsibilities of the group's Terms of Reference. Standing advisory groups provide advice to the Board whereas ad-hoc advisory groups provide advice the Secretariat;
- (c) make evidence-based and objective contributions, to the extent possible;
- (d) aim for consensus-building wherever possible and, to that end, should be prepared to be challenged on their views and open to consideration of other members' perspectives;
- (e) remain respectful and professional in all interactions with other members of the group and with the Secretariat; and
- (f) attend all meetings.

Frequency for ad hoc advisory groups

9.22 Once work on a project commences, the Board and/or the Secretariat may consult advisory groups when it is beneficial to the project to do so.

Effectiveness review

9.23 The Board will evaluate the purpose, composition, and effectiveness of each advisory group every three years (or more frequently, if circumstances warrant), to assess whether each group is continuing to serve the function for which it was established. The Board revises the Terms of Reference applicable to each advisory group as necessary.

10 Influencing the work of the IFRS Interpretations Committee

Introduction

10.1 The IFRS Interpretations Committee (Interpretations Committee) is the IASB's interpretative body that "assists the [IASB] Board in improving financial reporting through timely assessment, discussion and resolution of financial reporting issues identified to it within the IFRS framework"²⁴. It does so by, amongst other things:

- (a) recommending to the IASB to add a standard-setting project to its work plan when certain criteria in the IFRS Due Process Handbook²⁵ are met. This is done in the

²⁴ Refer to paragraph 1.3 in the [IASB and IFRS Interpretations Committee Due Process Handbook](#), IFRS Foundation, (August 2020). The Conceptual Framework describes the objective of and concepts for general purpose financial reporting. It is a practical tool that helps the Board to develop requirements in IFRS Standards based on consistent concepts (refer to paragraph 4.20 in the same Handbook).

²⁵ Refer to paragraph 5.16 in the [IASB and IFRS Interpretations Committee Due Process Handbook](#).

form of a proposal for a narrow-scope amendment or an annual improvement, i.e. amendments that meet the IASB's criteria for annual improvements or for narrow-scope amendments;²⁶

- (b) developing a proposal for a Draft IFRIC Interpretation (that is later ratified by the IASB); and
- (c) recommending that the IASB does not add a standard-setting project to its work plan, instead publishing an agenda decision²⁷ to address application questions.

Supporting the work of the Interpretations Committee

10.2 The UKEB supports the IASB's and the Interpretations Committee's work by ensuring that UK views are considered during the development and improvement of international accounting standards (including IFRIC Interpretations). This is achieved by:

- (a) monitoring the work of the Interpretations Committee;
- (b) influencing proposals for annual improvements, narrow-scope amendments and/or Draft IFRIC Interpretations;
- (c) considering whether to contribute comment letters on tentative agenda decisions issued by the Interpretations Committee; and
- (d) informing the Interpretations Committee and/or the IASB of significant issues raised or identified by UK stakeholders for potential inclusion in their work programme.

(a) Monitoring Interpretations Committee work

10.3 The Secretariat monitors projects developed by (or with the assistance of) the Interpretations Committee and reports them to the Board on a regular basis (i.e. proposals for amendments, IFRIC Interpretations or tentative agenda decisions).

10.4 The Secretariat may consider:

- (a) undertaking outreach activities ahead of the Interpretations Committee issuing proposals before a due process document is published; and
- (b) delivering an update on matters discussed at Interpretations Committee meetings at Board meetings, with the objective of raising awareness at Board meetings on the issues being discussed; whether the Board would like to respond and possible interactions with the UKEB's other activities and projects.

²⁶ For 'Annual improvements' refer to the criteria in paragraphs 6.10–6.14 in the [IASB and IFRS Interpretations Committee Due Process Handbook](#). For narrow-scope' amendments refer to the criteria in paragraph 5.16 of the same Handbook.

²⁷ Agenda decisions explain why a standard-setting project has not been added to the IASB's work plan to address a question submitted and, in many cases, include explanatory material that explains how the applicable principles and requirements in IFRS Standards apply to the transaction or fact pattern described in the agenda decision. Refer to paragraphs 8.3–8.7 in the [IASB and IFRS Interpretations Committee Due Process Handbook](#).

(b) Influencing proposals for amendments or for Draft IFRIC Interpretations

10.5 The UKEB follows the requirements in Section 5 of this Handbook for influencing proposals for annual improvements, narrow-scope amendments and/or Draft IFRIC Interpretations.

(c) Considering whether to respond to a tentative agenda decision

10.6 The UKEB expects to respond to a limited number of tentative agenda decisions published by the Interpretations Committee. Some factors to consider when deciding whether to respond may be:

- (a) The degree of impact of the IASB tentative agenda decision on UK companies (for example, in cases where the tentative agenda decision is expected to affect a significant number of UK companies)
- (b) Disagreement with the analysis performed by the Interpretations Committee; or
- (c) Usefulness of the explanations and clarifications included in the tentative agenda decision.

10.7 The Board might also choose to respond to a tentative agenda decision even if it agrees with the analysis performed by the Interpretations Committee. For example, this may apply in cases where others have expressed disagreement with the analysis in the tentative agenda decision.

10.8 When the Board reviews the update on the Interpretations Committee's activities it decides whether to respond to a tentative agenda decision.

10.9 If an issue discussed by the Interpretations Committee arises outside the usual Board meeting cycle, the UKEB Chair can approve initiation of work on the tentative agenda decision.

Project milestones for tentative agenda decisions

10.10 The UKEB will broadly follow the milestones in paragraph 5.8 in Section 5 of this Handbook to influence tentative agenda decisions issued by the Interpretations Committee that the UKEB considers have relevance for the UK. However, these milestones will only be followed to the extent they are appropriate or possible. For example, given that the comment period for a tentative agenda decision is usually shorter than for other IASB's due process documents, it may be more appropriate to consult with a representative group of stakeholders and/or with members of the UKEB's standing and/or ad-hoc advisory groups, rather than making a Draft Comment Letter available for comment on the UKEB website.

10.11 The activities undertaken to achieve these milestones should be proportionate to the technical issue(s) being addressed and will depend on its significance for UK stakeholders and on its complexity. The Project Initiation Plan will outline the approach to the technical issue(s) being addressed and describe how the approach taken meets due process requirements.

10.12 After considering comments from UK stakeholders on tentative agenda decisions, the UKEB may decide to recommend that the Interpretations Committee:

- (a) confirms the Interpretations Committee's decision to publish an agenda decision;
- (b) revises (or abandons) the Interpretations Committee's tentative agenda decision;
or
- (c) refers the matter to the IASB to consider adding a standard-setting project to the IASB's work plan.

(d) Informing the Interpretations Committee of significant issues raised by UK stakeholders

10.13 The UKEB may decide to inform the Interpretations Committee of issues raised or identified by UK stakeholders as potential agenda items (i.e. for potential inclusion on the IASB's and/or on the Interpretations Committee's work programme). In doing so, the UKEB follows the procedures for the 'Identification of Matters' in the IFRS Due Process Handbook²⁸.

II Due Process Compliance Statement

Introduction and objective

- 11.1 For each project, the Secretariat assesses whether it has complied with the UKEB's due process activities as set out in Section 4 (mandatory activities), Section 5 (Influencing Process), Section 6 (Endorsement Process), Section 7 (Thought leadership and research programme²⁹) and Section 8 (i.e. the sub-section on "UKEB Post-implementation review") of this Handbook.
- 11.2 The Secretariat summarises the due process activities undertaken in a closing control report called "Due Process Compliance Statement". This report fulfils the following objectives:
- (a) provides a record of the activities undertaken by the Secretariat to comply with the UKEB's due process activities;
 - (b) provides a basis for holding the Secretariat accountable to the Board for the due process procedures that it follows in practice; and
 - (c) informs the Board about the work undertaken compared with that agreed in the Project Initiation Plan (PIP). The Due Process Compliance Statement retrospectively validates that the process undertaken complied with the PIP (or not). If discrepancies are identified this report provides an explanation as to why, and how the activities still meet due process requirements.

²⁸ Refer to paragraphs 5.15 to 5.16 in the [IASB and IFRS Interpretations Committee Due Process Handbook](#).

²⁹ A "Due Process Compliance Statement" is only required when issuing a Discussion Paper (refer to Section 7 of this Handbook).

Content

11.3 The Due Process Compliance Statement includes the following sections:

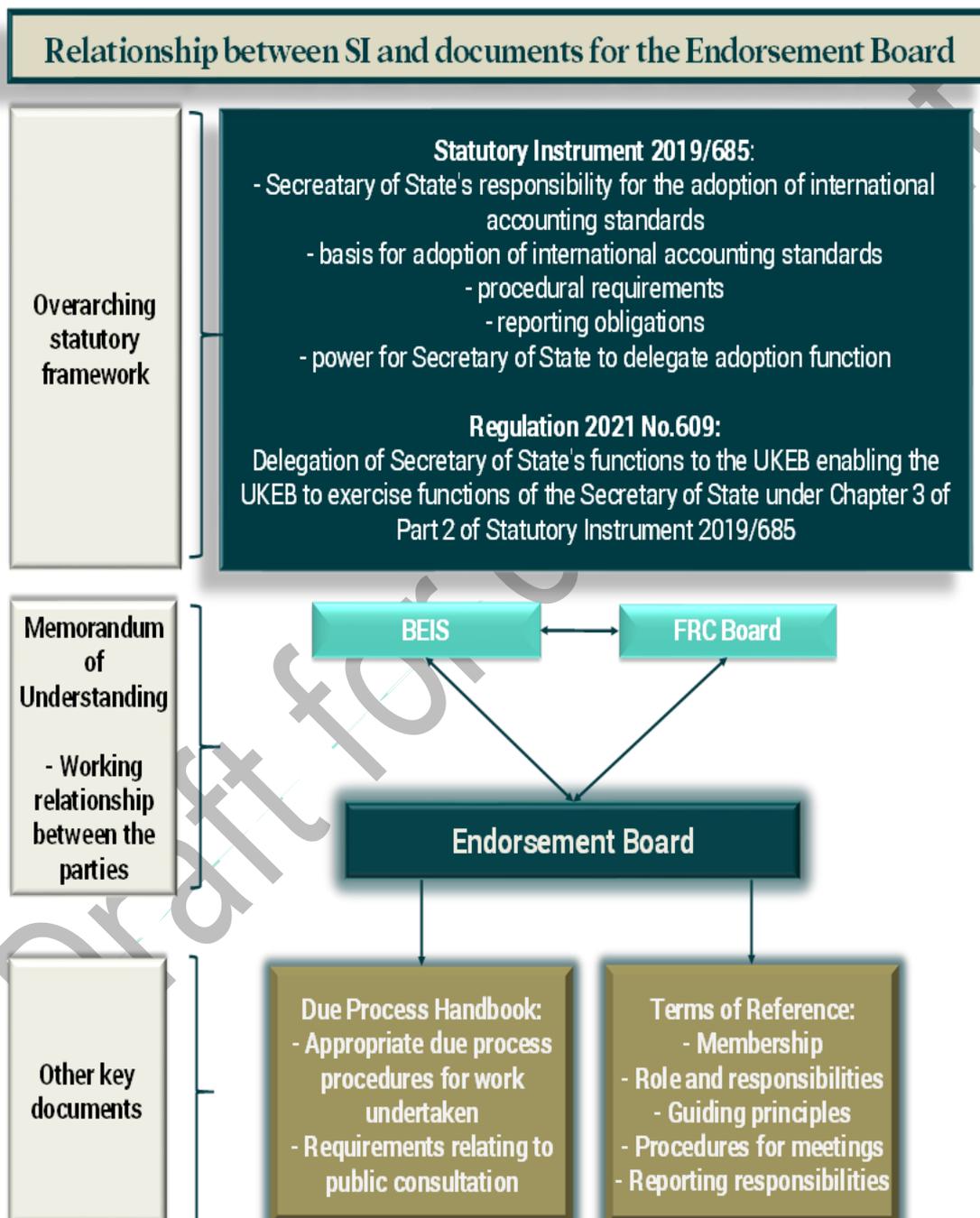
- (a) Project details:
 - (i) If influencing an IASB's due process document: title, date of publication and comment letter deadline;
 - (ii) If a UKEB's thought leadership/research project: project title, date of publication, comment letter deadline (if applicable); or
 - (iii) If endorsing an IASB standard or amendment: title, date of publication and the IASB's effective date.
- (b) A description of due process steps undertaken covering the following areas:
 - (i) Project preparation (i.e. the Project Initiation Plan (PIP) and/or a revised version of the PIP and desk-based research);
 - (ii) Communications (e.g. public meetings, documents posted on the UKEB website);
 - (iii) Outreach activities (e.g. advisory groups, fieldwork undertaken);
 - (iv) Preparation of documents for public comment (e.g. draft comment letter for influencing activities);
 - (v) Project finalisation and project closure (e.g. final comment letter, feedback statement for influencing activities);
- (c) Metrics or evidence to demonstrate that the process was undertaken as agreed in the Project Initiation Plan (e.g. number of meetings held);
- (d) An explanation of why the Secretariat decided not to undertake a due process step for a given project, if relevant (i.e. why an outreach activity specified in the PIP was not undertaken); and
- (e) A conclusion as to whether, in the Secretariat's opinion, applicable due process steps have been complied with.

11.4 The Board discusses and provides comments on a (draft) Due Process Compliance Statement and approves the final version of this Statement at a public Board meeting.

11.5 A Due Process Compliance Statement is published on the UKEB website, usually at the same time as the Feedback Statement³⁰.

³⁰ A Feedback Statement is a mandatory due process activity as set out in Section 5 (Influencing Process), and in Section 6 (Endorsement Process). In Section 7 (Thought leadership and research programme) it is a mandatory due process activity only for a discussion paper.

Appendix A—Relationship between Statutory Instruments (SI) and other governance documents for the Endorsement Board



Appendix B—IASB’s and IFRS Interpretations Committee’s consultation documents

This Appendix has been included for information only.

Consultation document	Description	Comment period
<p><i>Discussion Paper (DP) / Research Paper</i></p>	<p>One of the main outputs of the IASB’s Research programme is a Discussion Paper or a Research Paper. These documents:</p> <ul style="list-style-type: none"> a) are designed to elicit comments from interested parties that can help the IASB decide whether to add a standard-setting project to their work plan. b) include a comprehensive overview of the issues, possible approaches to addressing the issues, the preliminary views of the IASB and an Invitation to Comment (ITC) that precedes or accompanies the Discussion Paper or Research Paper. <p>A Discussion Paper commonly outlines a wide range of possible accounting policies on a particular topic and conveys any significant differences in IASB members’ views. It is typically used to refine the number of options being considered as the solution to an issue and is commonly issued for IASB major projects before an Exposure Draft (but this is not a requirement). The matters presented will have been discussed in public meetings of the IASB.</p> <p>A Research Paper can be prepared by IASB technical staff or by other accounting standard setters at the request of the IASB. It includes a clear statement of the extent of the IASB’s involvement in the development or endorsement of that research paper. In some cases, the IASB will not have discussed the research paper in a public meeting and will not, therefore, have developed any views on the matters set out in the paper.</p>	<p>Generally, the IASB gives a 120-day comment period.</p>
<p><i>Request for information (RFI) / IASB Agenda Consultation</i></p>	<p>Requests for Information are formal requests by the IASB for information or feedback on a matter related to technical projects or broader consultations. This includes seeking comment on the IASB’s technical work plan every five</p>	<p>Generally, the IASB gives a 120-day comment period for an RFI on the technical work</p>

Consultation document	Description	Comment period
	years, post-implementation reviews, or help in assessing the practical implications of a potential financial reporting requirement.	plan. Other RFI's generally allow a minimum of 60 days.
<i>Exposure Draft (ED)</i>	An Exposure Draft is a mandatory step in the IASB due process before a new IFRS Standard can be. An Exposure Draft includes a specific proposal, a basis for conclusions that explains the rationale for the proposal and, if relevant, alternative views. It is developed at public meetings and includes an invitation to comment describing the issues that the IASB has identified as being of particular interest.	Normally, the IASB gives a 120-day comment period. For issues that are narrow in scope and urgent the period can be reduced to at least 30 days. Only in exceptional circumstances is less than 30 days permitted.
<i>Annual Improvements (ED)</i>	Annual Improvements contain a group of proposed amendments to IFRS Standards that are sufficiently minor or narrow in scope that can be packed together and exposed in a single document, even if the amendments are unrelated. Limited to changes that clarify the wording in the standards, or correct relatively minor unintended consequences, oversights or conflicts between existing requirements. Annual improvements are normally, but not always, issued on an annual basis. The IFRS Interpretations Committee can assist the IASB in developing these amendments.	Normally, the IASB gives a minimum of 90 days comment period.
<i>Narrow Scope Amendment (ED)</i>	Narrow Scope Amendments are proposed amendments to an existing Standard. They address concerns about a specific aspect of a standard without causing major or significant changes in practice. They are issued and exposed for public comment (separately from annual improvements) when the IASB determines that the narrow-scope amendment merits separate consultation and outreach. The IFRS Interpretations Committee can assist the IASB in developing this type of amendments.	A minimum period of 120 days for comments on exposure drafts but if the matter is narrow in scope and urgent the IASB may set a comment period of less than 120 days but no less than 30 days
<i>Draft IFRIC Interpretation (DI)</i>	A Draft IFRIC Interpretation is a mandatory step before issuing an IFRIC Interpretation. It is a draft of a proposed Interpretation of a Standard	The minimum comment period is normally 90 days.

Consultation document	Description	Comment period
	and is the equivalent of an ED for a Standard. It is developed in public meetings of the IFRS Interpretations Committee and is ratified by the IASB (Board). It sets out a specific proposal in the form of a proposed Interpretation. It includes an invitation to comment and a basis for conclusions which explains the rationale for the specific proposal.	If the matter is narrow in scope and urgent the comment period can be reduced, down to a minimum of 30 days.
<i>Tentative Agenda Decisions (TAD)</i>	Tentative Agenda Decisions are issued by the IFRS Interpretations Committee. These decisions explain why a standard-setting project should not be added to the IASB’s technical work plan to address a submitted question and, in many cases, includes examples and other explanatory material that provides new or clarifying information. After considering the comments, the IFRS Interpretations Committee will confirm its decision and publish an Agenda Decision (subject to the IASB not objecting to this decisions) or decide that a standard-setting project should be added to the IASB work plan.	The IFRS IC requests comments on TADs within 60 days.
<i>Post-implementation reviews (PIR)</i>	The IASB conducts a post-implementation review of each new IFRS Standard or major amendment. A post-implementation review normally begins after the new requirements have been applied internationally for two years (generally about 30–36 months after the effective commencement date). The PIR is accompanied by a Request for Information (RFI) which sets out the initial identification and assessment of the matters to be examined.	The IASB gives a 120-day comment period.

Appendix C – [Draft] Terms of Reference outline for advisory groups

Terms of Reference

1 Name, purpose and responsibilities

- 1.1 Name [of advisory group], purpose and responsibilities to the Board and/or to the Secretariat.
- 1.2 Guiding principles and compliance with legislative framework.

2 Membership

- 2.1 Composition and membership length. The membership of an advisory group is reviewed on a regular basis with the possibility that members may be appointable for consecutive terms. Members of advisory groups are appointed for an initial term of up to three years renewable for a second term of up to three additional years. The length of term may be shortened to allow for a staggered rotation of members to ensure continuity on the advisory group. Changes to appointments arising from such reviews are approved by the Board.
- 2.2 Size: minimum and maximum number of members.
- 2.3 What the Board and/or the Secretariat expect from the members of the advisory group and consequences of failing to meet the expectations set out in the terms of reference (for example dismissal after non-attendance at a certain number of meetings, etc).

3 Meetings and administrative arrangements

3.1 Process for holding meetings:

- (a) Indication of whether meetings are:
 - (i) closed and/or open to the public; if meetings are public, an indication of whether observers can attend meetings and/or if they have speaking rights;
 - (ii) held virtually and/or physically;
- (b) Requirements for attendance and an indication of whether alternates are permitted;
- (c) Location, duration (i.e. number of hours), and frequency (i.e. number of meetings per month and/or per year); and
- (d) Indication of who will act as the chair of the advisory group;

3.2 Notice of meetings and agendas: State obligation to:

- (a) make available meeting agendas and papers for the members of the advisory groups before the meeting; and
- (b) publish the agendas and a summary of the output from the group (without attribution to members) on the UKEB website.

3.3 If meetings are public, also state obligation to broadcast (and/or record) meetings and to publish agenda papers on the UKEB website.

4 Remuneration for members

- 4.1 Indication of whether members are (or not) remunerated.
- 4.2 Indication of whether members are reimbursed for reasonable travel and other costs incurred in participating in the group's activities.

5 Approval of Terms of Reference and changes

- 5.1 Date of approval of the Terms of Reference and process for making changes to these terms.

Draft for comment

UK Endorsement Board

[Draft] Due Process Handbook

November 2021

[Draft] Due Process Handbook— Table of contents

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Appendices

Appendix A	Relationship between Statutory Instruments and other governance documents for the UK Endorsement Board
Appendix B:	IASB's and IFRS Interpretations Committee's consultation documents
Appendix C:	Terms of Reference outline for advisory groups

[Draft] Due Process Handbook sections

I Introduction

1.1 The Due Process Handbook (Handbook) sets out how the UK Endorsement Board (UKEB)¹ will assess the appropriateness of international accounting standards² for use in the UK. International accounting standards are developed and issued by the International Accounting Standards Board (IASB). ~~This Handbook describes the due processes for influencing, [including research and thought leadership activities, and endorsement and adoption of international accounting standards³]. The Handbook also explains how stakeholders are able to participate in those processes.~~

Commented [A1]: See Comment summary – reference #1

1.2 This Handbook describes the due process that the UKEB follows in:

- (a) ~~influencing international accounting standards (including influencing the IASB’s post-implementation reviews and the IFRS Interpretations Committee’s activities); and~~
- (b) ~~endorsing and adopting international accounting standards.~~

Commented [A2]: See Comment summary – reference #2

1.3 This Handbook also describes additional due process steps that the UKEB follows for:

- (a) ~~carrying out its thought leadership activities and developing its own research programme;~~
- (b) ~~performing its own post-implementation reviews;~~
- (c) ~~setting up advisory groups; and~~
- (d) ~~making sure it complies with the required due process steps in this Handbook.~~

1.4 ~~This Handbook guides the UKEB on performing the required due process steps and explains how stakeholders participate in the processes mentioned above this process.~~

~~1.1.5~~ The Secretary of State for the Department of Business, Energy and Industrial Strategy (BEIS) delegated the functions relating to influencing, endorsing and adopting international accounting standards for application in the UK to the UKEB ~~in May 2021~~⁴.

¹ The UKEB was established through The International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019 (Statutory Instrument 2019 No. 685 (SI 2019/685): <https://www.legislation.gov.uk/ukxi/2019/685/made>

² This term has the meaning given in SI 2019/685 by referring to Article 2 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards:

“...‘international accounting standards’ shall mean International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and related Interpretations (SIC-IFRIC interpretations), subsequent amendments to those standards and related interpretations, future standards and related interpretations issued or adopted by the International Accounting Standards Board (IASB)”.

³ ~~These sections are under development and will be considered at subsequent Board meetings.~~

⁴ The International Accounting Standards (Delegation of Functions) (EU Exit) Regulations 2021 No. 609 (SI 2021/XXX609) of Functions (EU Exit) Regulations 2021 (SI 2021/XXX).

The Secretary of State maintains a regular review of the performance of the UKEB in exercising those functions. The UK Financial Reporting Council (FRC) oversees the effective governance of the UKEB and its adherence to the due processes set out in this Handbook. It also provides operational support. The FRC does not have the power to direct the UKEB in relation to the determination of its programme of work or the outcome of its technical decision-making⁵.

1.21.6 This Handbook forms one of the key documents of the UKEB. A diagram of the relationship between these documents can be found in Appendix A.

2 Statutory functions of the UKEB

2.1 Regulation 5 of SI 2019/685 sets out the UKEB's statutory functions, as follows:

- “(a) the adoption of international accounting standards for use within the United Kingdom, with a view to harmonising the financial information presented by the companies required by section 403(1) of the Companies Act 2006 to prepare their accounts in accordance with UK-adopted international accounting standards, in order to ensure—
- (i) a high degree of transparency and international comparability of financial statements; and
 - (ii) the efficient allocation of capital, including the smooth functioning of capital markets in the United Kingdom; and
- (b) participating in and contributing to the development of a single set of international accounting standards.”

2.2 Regulation 8 of SI 2019/685 also requires consultation:

“Before adopting an international accounting standard under regulation 6, the Secretary of State must consult such persons as the Secretary of State considers to be representative of those with an interest in the quality and availability of accounts, including users and preparers of accounts.”

2.3 Regulation 17 of SI 2019/685 also requires that the Board report to the Secretary of State on its activities:

“(1) The body must, at least once in each calendar year for which the delegation regulations are in force, make a report to the Secretary of State on—

- (a) the discharge of the functions transferred to it, and
- (b) such other matters as the Secretary of State may by regulations require.”

⁵ The respective responsibilities of the Secretary of State for BEIS, FRC and UKEB are set out in a Memorandum of Understanding on the UKEB [here: https://assets-eu-01.kc-usercontent.com/99102f2b-dbd8-0186-f681-303b06237bb2/0633cede-348c-478f-b714-3cdb30b058be/UKEB-FRC-BEIS-MoU-22May2021.pdf](https://assets-eu-01.kc-usercontent.com/99102f2b-dbd8-0186-f681-303b06237bb2/0633cede-348c-478f-b714-3cdb30b058be/UKEB-FRC-BEIS-MoU-22May2021.pdf) website.

Commented [A3]: See Comment summary – reference #3.

3 Terms of Reference and Guiding Principles

Terms of Reference

3.1 The Terms of Reference⁶ (ToR) further elaborate on the UKEB’s role and responsibilities as they relate to the statutory functions. The UKEB’s key responsibilities include:

- (a) Considering and deciding whether to endorse and adopt new or amended international accounting standard for application in the UK. This includes a formal endorsement criteria assessment which assesses the impact on UK entities. Whilst the FRC will provide operational infrastructure and other support to it, the UKEB’s technical decision-making shall be independent.
- (b) Ensuring that there is an open and transparent due process including a public consultation process *(as appropriate)* with stakeholders on draft comment letters to the IASB, draft endorsement criteria assessments and other documents such as research discussion papers. This includes providing timely feedback to stakeholders on their contributions.
- (c) Influencing the development of IFRS. The UKEB will follow and contribute to debates on all the IASB’s projects, consult with UK stakeholders to obtain their views, highlight any concerns to the IASB at every stage of their project, including the development of its agenda and post-implementation reviews.
- (d) Deciding on the work plan for research activities *and developing those activities* to contribute to the development of financial reporting internationally, after public consultation on possible projects to be included.
- (e) Reporting to the FRC Board, setting out the extent to which it has complied with the procedures set out in the Due Process Handbook.

Commented [A4]: See Comment summary – reference #4.

Commented [A5]: See Comment summary – reference #5.

3.2 The ToR are set by the BEIS Secretary of State and adopted by the UK Endorsement Board.

Guiding Principles

3.3 Section 4 of the ToR require the UKEB to act at all times in accordance with the guiding principles of:

- (a) Accountability—to be accountable to its stakeholders, its oversight body (the FRC) and the Secretary of State for BEIS in undertaking its statutory functions. This includes consulting with UK stakeholders that are affected by financial

⁶ The Terms of Reference can be found here: <https://assets-eu-01.kc-usercontent.com/99102f2b-dbd8-0186-f681-303b06237bb2/bcf857be-0260-40b2-8e73-2c3123694d4e/UKEB-Terms-of-Reference-2021.03.26.pdf>

⁷ As set out in Sections 5–78 and 10 in the Handbook, public consultation will be flexible and proportionate to the issue being addressed. For example, some other types of research papers will not need public consultation. Similarly, consultation with only a representative group of stakeholders for an urgent proposed narrow scope amendment is likely to be appropriate and lead to sufficient evidence to form the basis for adoption.

reporting, undertaking activities and due process procedures in a timely manner and providing a rationale for the decisions it makes.

- (b) Independence—to ensure that it acts in the UK’s long term public good **by being and that it is** independent from other organisations or stakeholder groups, including the FRC and BEIS.
- (c) Transparency—to undertake its activities in a transparent manner so that stakeholders are aware of current projects and understand how decisions have been made.
- (d) Thought leadership—to lead and represent the UK on international accounting standards and reporting.

Commented [A6]: See Comment summary – reference #6.

3.4 These guiding principles are embedded into the processes described in this Handbook.

4 Mandatory Due Process Activities

Commented [A7]: See Comment summary – reference #7.

Quorum of attendance and decision-making

- 4.1 **The UKEB’s ToR (in Section 5 of the UKEB’s ToR)** sets out, amongst other requirements, the quorum for **the UKEB Board (thereafter ‘Board’)** meetings. This requires that a minimum of sixty percent of the appointed members (including the **UKEB Chair as an appointed member**) must attend a meeting of the **UKEB Board** (ToR, paragraph 5.1).
- 4.2 Decisions made at an UKEB public **Board** meeting are indicative only. They are formalised by circulation outside the meeting by a written **ballot-vote** (in paper or electronic form) and the **ballot-vote** constitutes proper evidence of the decisions of members **of the Board** (including the **UKEB Chair as an appointed member**) **of the UKEB**. An affirmative vote of at least two-thirds of the members **of the Board UKEB** (including the **UKEB Chair as an appointed member**) **of the UKEB**, is required for the decision to be passed. Each **Member member** of the **Board UKEB, including the Chair**, has one vote.

Commented [A8]: See Comment summary – reference #8.

Commented [A9]: See Comment summary – reference #9.

Transparency of meetings and stakeholder observers

- 4.3 The UKEB’s ToR set out the operating procedures that the UKEB applies in carrying out its responsibilities. Those procedures include the frequency and form of **UKEB Board’s** meetings (in Section 6 **of the ToR**), as well as rules for observers attending these meetings (in Section 7 **of the ToR**).
- 4.4 The **Board UKEB** may hold **meetings** in person, by webcast, or by telephone or other similar means. In deciding the format of meeting, the UKEB Chair should take into consideration public access and attendance (ToR paragraph 6.2).
- 4.5 Regular meetings of the **UKEB Board** are planned as far in advance as is practicable to help the **UKEB Secretariat (thereafter ‘Secretariat’)**, members of the Board, official observers (with speaking rights) of the Board, and stakeholders, prepare for those meetings. The meetings calendar is published on the **UKEB’s website UKEB website** and is updated regularly.

Commented [A10]: See Comment summary – reference #10.

4.6 Meetings will usually be held in public and open to attendance by members of the public (as non-speaking observers). However, the ~~UKEB Board~~ may hold certain discussions in private or in the presence of invited observers with speaking rights only. For instance:

(a) ~~Meetings held to discuss~~ administrative issues and other non-technical matters (ToR paragraph 5.6); or,

(b) ~~Education sessions held before public Board meetings, for example, to enable Board members to improve their understanding of new or complex proposals or standards or seek clarification about technical matters in staff papers.~~

~~4.64.7 Only UK Endorsement Board Members and observers with speaking rights will have the right to speak at Board meetings. The Chair of the UKEB Chair may invite others to attend meetings as advisors when specialised input is required and may be invited to speak at all or part of any meeting, as and when appropriate. Such invited advisors have the right to speak~~ (ToR, paragraph 7.2).

~~4.74.8 Only public meetings are recorded and, whenever possible/practicable, webcast live. Recordings of public meetings are made available on the UKEB's website~~ UKEB website.

Minutes from ~~UKEB Board~~ Meetings

~~4.84.9 The UKEB's ToR (in Section 9 of the UKEB's ToR) sets out the requirement to minuted the meetings and any resolutions decided by the UKEB to keep stakeholders informed about the UKEB's activities. Minutes are a summary of the main tentative decisions reached at a Board meeting and/or main areas of Board discussion.~~

~~4.94.10 Minutes from the public and private UKEB Board meetings are made available on the UKEB website once approved by UKEB Board Members.~~

Summary of main decisions reached

~~4.104.11 A summary of the tentative decisions and areas of discussion~~ Minutes for each ~~UKEB Board~~ meeting are published and made available on the UKEB's website as soon after the meeting as practicable and usually within 10 working days following the meeting (ToR paragraph 9.3). The Secretariat is responsible for ensuring that the ~~meeting summary~~ minutes reflects the ~~UKEB's Board's~~ decisions at each meeting. The ~~minutes is summary~~ serves also to inform interested parties about the progress made on technical projects in a timely manner.

UKEB Secretariat papers

~~4.114.12 Section 8 of the UKEB's ToR sets out requirements for the notice of meetings and Secretariat papers.~~

~~4.124.13 The UKEB Secretariat is responsible for developing papers with recommendations and supporting analysis of technical issues for consideration by the members of the UKEB Board.~~

~~4.134.14 The objective of the papers is to provide enough information for members of the UKEB Board to make informed decisions on technical matters. In developing these~~

Commented [A11]: See Comment summary – reference #11.

Commented [A12]: See Comment summary – reference #12.

Commented [A13]: See Comment summary – reference #14.

Commented [A14]: See Comment summary – reference #13.

Commented [A15]: See Comment summary – reference #15 and 16.

Commented [A16]: See Comment summary – reference #17.

papers, the ~~UKEB Secretariat~~ Secretariat is expected to conduct research and to seek advice from members of the ~~UKEB Board~~ Board. However, recommendations ultimately reflect ~~UKEB Secretariat~~ Secretariat's views, after consideration of the information obtained.

~~4.144.15~~ The ~~UKEB Board~~ agenda and Secretariat papers for each public meeting are ~~usually~~ made available on the ~~UKEB's~~ website no later than 5 working days, before they are scheduled for discussion at a ~~UKEB Board~~ meeting (ToR, paragraph 8.3). This is to allow ~~UKEB Board~~ members enough time to consider and assess the ~~UKEB Secretariat~~ Secretariat's recommendations. It is the responsibility of the UKEB members to assess whether they have sufficient information and time to be able to make decisions based on ~~UKEB Secretariat~~ Secretariat's recommendations. Secretariat papers may have to be distributed closer to the meeting date, in exceptional circumstances only, and with the prior approval of the ~~UKEB~~ Chair. For example, if an urgent issue has arisen.

Commented [A17]: See Comment summary – reference #18.

~~4.154.16~~ Also, only in exceptional circumstances, and taking into consideration the Guiding Principles, the ~~UKEB~~ Chair may, at their absolute discretion, decide that all or part of certain Secretariat papers ~~used for discussion at public meetings~~ should not be made publicly available (ToR, paragraph 8.4). This may be, for example, if releasing that information could breach UK law, commercial confidentiality or prejudice the conduct of public affairs. However, such circumstances are expected to be rare. ~~Secretariat papers used for discussion at private Board meetings are not made publicly available~~.

Commented [A18]: See Comment summary – reference #19.

~~4.184.17~~ The ~~UKEB Secretariat~~ Secretariat may supplement papers orally at a ~~UKEB Board~~ meeting, for example, to provide an ~~verbal~~ update on recent events.

Keeping stakeholders informed

~~4.174.18~~ As a part of the guiding principle of transparency, the UKEB is committed to keeping its stakeholders and the general public informed about its activities. The principal means of communication between the UKEB and its stakeholders is through public meetings on technical issues, and the posting of relevant information and documents on the UKEB website.

~~4.184.19~~ In particular, the UKEB publishes on its website:

- (a) its work plan, its meeting schedules and agenda;
- (b) its progress on individual projects or ~~UKEB's Board's~~ deliberations and compliance with due process by posting:
 - (i) public ~~UKEB Secretariat~~ Secretariat papers;
 - (ii) ~~online summaries~~ minutes of the ~~UKEB's Board's~~ main decisions after each ~~public and private~~ meetings and recordings of ~~UKEB public Board~~ meetings; and
 - (iii) materials relating to advisory group meetings and other project-related information.
- (c) media and information releases relating to its activities;

Commented [A19]: See Comment summary – reference #15 and 16.

- (d) any IASB consultation documents open for comment by providing links to these documents on the IASB's website;
- (e) the formal comment letters submitted to the UKEB where the respondent has not requested confidentiality; and
- (f) access to educational materials or webinars.

Commented [A20]: See Comment summary – reference #20.

4.194.20 All public materials, including those related to the UKEB due process, are freely available on the website.

Consultation with stakeholders

Commented [A21]: See Comment summary – reference #23.

4.21 The UKEB operates transparently and gives fair consideration to the issues raised by UK stakeholders, and influences early in the development of international accounting standards by conducting timely outreach activities and regular consultations with stakeholders. This ensures stakeholders' concerns are heard and addressed and builds robust and evidence-based recommendations in line with the UKEB's influencing strategy. It also undertakes consultation with stakeholders relating to the endorsement and adoption of IASB standards or amendments and for its thought leadership and research programme.

4.22 The UKEB consults with stakeholders that represent different communities, (i.e. users, preparers, academics, accounting firms, accounting bodies and regulators) to gather their inputs, views, opinions and feedback on specific projects or technical matters.

4.23 The UKEB consults stakeholders:

- (a) on IASB's proposals for comment on proposals for new or amended international accounting standards (refer to Section 5–Influencing process) or on the IASB's research work (i.e. Discussion papers, Research papers or Requests for Information);
- (b) on tentative agenda decisions or Draft IFRIC Interpretations issued by the IFRS Interpretations Committee (refer to Section 10–Influencing the IFRS Interpretations Committee's activities);
- (c) on IASB's requests for information: for example, those issued for post-implementation reviews (refer to Section 8–Post-implementation reviews);
- (d) on UKEB's research work in line with its guiding principle of accountability and thought leadership (refer to Section 7–Thought Leadership and the Research programme); and
- (e) on UKEB's post-implementation review work (refer to Section 8–sub-section on "Processes for a UKEB Post-implementation review); and

(f) ~~before endorsing and adopting a new or amended international accounting standard in the UK⁹ (refer to Section 6 – Endorsement process).~~

5 Influencing processes

Setting-up a technical work plan ~~and prioritising technical projects~~

5.1 The UKEB's due process influencing processes ~~es~~ begins with a technical work plan. This plan comprises the set of technical projects the UKEB manages.

5.2 The UKEB's technical work plan includes:

- (a) technical issues identified by the IASB and by its IFRS Interpretations Committee (~~hereafter, Interpretations Committee~~)^{9,10}; and
- (b) other technical issues (refer to Section ~~7-- Thought Leadership and the Research programme on the UKEB's research and thought leadership activities~~¹¹).

5.3 Technical issues identified by the IASB are added to the UKEB's technical work plan. As a starting point, the UKEB assumes that where a technical issue is significant enough to be added to the IASB's technical work plan, similar ~~problems~~ ~~issues~~ exist in the UK.

~~5.4 The UKEB's technical work plan is updated regularly to reflect estimated project timelines based on recent UKEB Board's decisions and is made available on the UKEB website.~~

~~5.5 The technical work plan is presented by the Technical Director of the UKEB for the Board to approve at each private meeting. Once approved, it is uploaded onto the UKEB website. The work plan is regularly updated to reflect any changes made based on Board UKEB decisions.~~

Prioritising technical projects

~~5.4 The technical work plan is presented by the Technical Director of the UKEB for the Board to approve at each private meeting. Once approved, it is uploaded onto the UKEB website. The work plan is regularly updated to reflect any changes made based on UKEB decisions.~~

⁸ Regulation 8 of the International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Statutory Instruments Regulation 2019 No. 685 (SI 2019/685), places an obligation to consult those with an interest in the "quality and availability of accounts, including users and preparers of accounts".

⁹ These can consist of IASB projects and activities that are steps toward possible publications including research papers, discussion papers, requests for information, requests for views, exposure drafts, draft IFRIC Interpretations, final Amendments, Standards and final IFRIC Interpretations, or post-implementation reviews.

¹⁰ This section is under development and will be considered at a subsequent Board meeting.

¹¹ These sections are under development and will be considered at subsequent Board meetings.

Commented [A22]: See Comment summary – reference #25.

Commented [A23]: See Comment summary – reference #26.

5.55.6 In prioritising individual projects and allocating resources to them, the level of activities should be proportionate to the issue being addressed. To help assess the issue, the Board UKEB considers various factors, including:

- (a) the importance of the issue to the users of financial reports-UK stakeholders (i.e. users, preparers, academics, accounting firms, accounting bodies and regulators, and others interested in financial reporting);
- (b) whether the issue has or is expected to have, a minor effect on a large number of widespread impact on UK entities or a significant effect on a small number of UK entities using UK-adopted international accounting standards;
- (c) interactions with other current or proposed projects on the work plan;
- (d) the urgency of the issue; and
- (e) the availability of staff resources.

Commented [A24]: See Comment summary – reference #27.

Commented [A25]: See Comment summary – reference #28.

5.65.7 The assessment is not limited to using the IASB’s assessment of the potential impact of a project as the UKEB’s remit is different. The IASB considers the potential impact on many jurisdictions whereas the UKEB is assessing the potential impact from a UK perspective. This may mean that in the UK we allocate a different significance for a project when compared with the IASB. For example, where UK entities do not undertake the types of transactions addressed in an IASB project, the project would be allocated a lower significance and a reduced number of outreach activities would be planned.

Overview of the UKEB project-influencing process

5.75.8 The mandatory milestones expected to be achieved for most influencing projects (except for the situations explained in paragraph 5.10) are:

- (a) Project initiation plan.
- (b) Desk-based research.
- (c) Outreach.
- (d) Draft comment letter.
- (e) Final comment letter.
- (f) Project closure, including Feedback Statement and Statement on Compliance with Due Process Compliance Statement.

Commented [A26]: See Comment summary – reference #29.

5.9 The activities undertaken to achieve the milestones in paragraph 5.8 should be proportionate to the technical issue(s) being addressed and will depend on its significance for UK stakeholders and on its complexity (i.e. nature or scope). For example, it is expected that for ‘major’ projects or for complex projects with major amendments, the activities undertaken would be far more extensive than for other ‘minor’ projects (i.e. amendments that meet the IASB’s criteria for annual improvements

or for narrow-scope amendments¹²), where some activities such as desk-based research or outreach activities may be somewhat more limited.

5.10 For 'urgent' amendments and for tentative agenda decisions issued by the ~~IFRS Interpretations Committee~~ the milestones in paragraph 5.8 are not mandatory due process steps because achieving those milestones may not always be possible ~~given the comment period for a tentative agenda decision is usually 60 days~~. For example, ~~making a draft comment letter available for consultation may not be possible and instead, consultation with a representative group of stakeholders and/or consulting with members of the UKEB's standing and/or ad-hoc advisory groups may be appropriate. However, the Secretariat should explain what steps will be undertaken and why some steps are being omitted, for Board approval.~~

Project Initiation Plan

5.85.11 For a technical project to be incorporated into the UKEB's work plan, a "Project Initiation Plan" (PIP) is prepared for approval by the Board.

5.95.12 The objective of the PIP is to assess the potential impact and scale of the proposals/~~amendments being addressed as part of the project~~ and, consequently, the level of analysis and outreach that should be undertaken.

5.105.13 The PIP outlines the approach to the project, including the amount of desk-based research, outreach, ~~key milestones, and~~ proposed timeline, ~~available resources, objectives, and expected output (i.e. draft/final comment letter to the IASB)~~. The activities described in the PIP should be proportionate to the issue being addressed. This approach should help ensure an appropriate level of resource is allocated to each project. ~~An e~~Examples of where the proportionate approach could apply are:

- (a) The public consultation for a proposed narrow-scope amendment may be limited to the publication of a draft comment letter or an issues paper on the UKEB's website, with an associated ~~news subscriber~~ alert.
- (b) The public consultation for ~~an urgent proposed narrow-scope amendment a tentative agenda decision, consultation~~ may be undertaken only with ~~a number of stakeholders rather "such persons considered to be representative of those with an interest in the quality and availability of accounts, including users and preparers of accounts" (SI 2019/685, Regulation 8)~~ due to the time constraint.

5.115.14 A PIP for a ~~project that~~ is not categorised by the IASB as a narrow-scope amendment is discussed, revised as directed and approved by the Board in a public meeting as a separate agenda item. For an IASB project that is a narrow-scope amendment, a PIP is tabled for noting, thereby giving Board members the opportunity to discuss it. The Board can then determine whether it should be discussed as a separate agenda item.

Commented [A27]: See Comment summary – reference #30.

Commented [A28]: See Comment summary – reference #31.

¹² 'Annual improvements' are amendments that meet the criteria in paragraphs 6.10–6.14 in the [IASB and IFRS Interpretations Committee Due Process Handbook](#) and are sufficiently minor or narrow in scope that are bundled together in a single Exposure Draft document (even though amendments are unrelated). Narrow-scope' amendments do not meet the criteria for annual improvements but meet the criteria in paragraph 5.16 in the same Handbook and are considered 'narrow' in scope.

Desk-based research

~~5.125.15~~ Desk-based research is undertaken to assist with the assessment of proportionality and to gather evidence on the issue. This will usually include a review of the IASB's previous work on this issue. It may also include, for example, a review of literature review, academic papers, review of financial statements or of, review of past papers or reports (by other ~~national standard-setters~~ National Standard Setters (NSS) or by other stakeholders (i.e. users, preparers, academics, accounting firms, accounting bodies and regulators such as accounting firms, government, etc). Additionally, the UKEB could liaise with national standard-setters who have carried out influencing activities or are in the process of performing such activities on the same (or related) project.

Commented [A29]: See Comment summary – reference #32.

Outreach activities

~~5.135.16~~ The UKEB promotes awareness and generally responds to all IASB projects that are relevant to the UK. ~~The typical consultation documents issued by the IASB and periods that these documents are exposed for comment is shown in the table at Appendix A¹³.~~

~~5.145.17~~ Outreach activities will be proportionate to the significance and complexity (i.e. nature or scope) of the project (i.e. relevant standard or amendment). ~~Outreach or consultation is conducted with stakeholders that represent different communities, (such as financial statement users, preparers, accounting practitioners and academia) to gather their input, views, opinions or feedback on specific projects or technical matters.~~

~~5.155.18~~ The UKEB ~~undertakes~~ outreach that the UKEB undertakes might include the following ways:

Commented [A30]: See Comment summary – reference #34.

(a) ~~convening and obtaining input from standing advisory groups and/or ad-hoc advisory groups from advisory groups such as Technical Advisory Groups (TAGs) or¹⁴ from sector advisory groups (e.g. academics or investors). These groups comprise experts to advise the UKEB on topics requiring input. The UKEB works through its advisory groups to give it access to additional practical experience and expertise;~~

(b) ~~meetings and/or interviews with stakeholders, including~~ users, preparers, academics, accounting firms, accounting bodies and regulators;

Commented [A31]: See Comment summary – reference #35.

~~(c)~~ (c) undertaking fieldwork (see below); and

(d) ~~the commissioning of external economic studies (i.e. data gathering and analysis conducted by external consultants to assess aspects of the economic impact of a standard on the UK); and~~

¹³ Extract from *the IFRS Foundation Due Process Handbook*, August 2020.

¹⁴ Refer to Section 9 'Advisory Groups' in this Handbook.

~~(e)~~(e) arranging informal meetings with IASB members and/or staff as well as arranging for IASB members and/or staff to participate and their participation in UK outreach events.

Commented [A32]: See Comment summary reference #10.

5.19 Liaison with the IASB when undertaking outreach on an IASB due process document, e.g. an Exposure Draft, can enhance the efficiency and effectiveness of the UKEB's work. Examples of benefits could include:

- a) enhanced credibility and attraction of outreach events if conducted jointly with the IASB; and
- b) greater insight into technical issues.

5.20 The UKEB will maintain full transparency about its interaction with the IASB and other stakeholders. Steps will include:

- a) maintaining a public register of meetings between senior staff and Board members of the IASB and of the UKEB; and
- b) being transparent about the sources of information used in UKEB material.

Commented [A33]: Paragraph 5.20 was previously included in the endorsement process section and has been moved here.

Fieldwork

~~5.16~~5.21 Fieldwork can be undertaken in a variety of ways and could include, but is not limited to:

- (a) **Surveys**—organised to gather data, information, and facts on a specific subject;
- (b) **Field tests**—include testing the application of technical proposals as if they were already in effect, in order to assess the understandability of the requirements and/or the resulting implementation issues. Field tests can be based on, for example:
 - (i) the completion of case studies;
 - (ii) asking participants to assess how a technical proposal would apply to actual transactions;
 - (iii) asking users how they process information; or
 - (iv) assessing how accounting systems may be affected;
- (c) **Workshops or interviews**—bring interested parties together and allow for in-depth analysis (for example to assess how technical proposals might be interpreted or applied) or to ensure the correct understanding of the results of a survey or field test.
- (d) **Public events**—meetings with a larger number of interested stakeholders and organisations to listen to, and exchange views on, specific topics. These could take the form of roundtables, discussion forums, webinars and webcasts. These public events provides stakeholders with the opportunity to better understand and present their views on developing proposals.

5.175.22 Fieldwork can focus on one or more specific groups of stakeholders (such as i.e. preparers, users, preparers, academics, accounting firms, accounting bodies and regulators/auditors or users).

Draft comment letter

5.23 A draft comment letter, explaining the UKEB’s preliminary response to an IASB’s or an Interpretations Committee’s consultation document (refer to Appendix B in this Handbook) is made available for public consultation on the UKEB website once approved by the Board. This letter is normally preceded by an Invitation to Comment that sets out the matters on which feedback is sought. The minimum consultation period for a Draft Comment letter is not less than 4 weeks unless there are exceptional circumstances.

5.24 For ‘urgent’ amendments making a draft comment letter available for consultation may not be possible and instead, consultation with a representative group of stakeholders and/or consulting with members of the UKEB’s standing and/or ad-hoc advisory groups may be appropriate.

Final comment letter

5.25 The UKEB considers the stakeholder feedback received on the draft comment letter and uses this input to issue a final version of the comment letter to the IASB. The final comment letter is submitted to the IASB and posted on the UKEB website along with the formal comment letters submitted to the UKEB (where the respondent has not requested confidentiality) and the Feedback Statement (see section below).

Project closure

Feedback statements

5.185.26 Input and feedback received on a dDraft cComment lLetter (and any other input and feedback derived from other outreach activities) is recorded, assessed, the evidence evaluated, and reported in a Feedback Statement then incorporated into the analysis and discussion of the technical issues.

Commented [A34]: See Comment summary – reference #37.

5.195.27 The purpose of a Feedback Statement is to inform stakeholders how the UKEB has responded to, or has addressed, the main comments or views received from stakeholders who participated in a specific outreach events or submitted comment letters on a specific project.

5.205.28 A Feedback Statements demonstrates the UKEB’s adherence to its overarching guiding principles as follows:

Commented [A35]: See Comment summary – reference #38

- (a) *Accountability* to stakeholders who submitted comment letters and/or participated in outreach, to the FRC as oversight body, and others, that the UKEB is taking account of stakeholders’ views and fulfilling its due process obligations.
- (b) *Transparency* about how the main comments or views have been addressed.

(c) *Independence* in that the UKEB acts in the UK's long term public good and is independent in its assessment of comments or views received from stakeholders and in determining the content of its final comment letter to the IASB.

5.215.29 Although the objective of all Feedback Statements is the same, the form and content will be proportionate to the objective of the underlying document, e.g. Discussion Papers have different objectives from Exposure Drafts. In general, a Feedback Statement includes the following content:

- (a) an objective;
- (b) a brief description of technical IASB's proposal(s), i.e. summary background;
- (c) an explanation of the main feedback received through comment letters or other fieldwork or outreach activities;
- (d) a description of the UKEB's response (i.e. how comments or views received from stakeholders have been addressed); and
- (e) a summary of the sources of stakeholder comments, e.g. from individual stakeholder meetings, formal responses to draft comment letters or via other outreach events.

5.225.30 The UKEB Board discusses and provides comments on a draft Feedback Statements and the UKEB Chair approves the final Feedback Statement for publication.

5.235.31 A Feedback Statement is published on the UKEB's website, usually at the same time as the final comment letter to the IASB is submitted, normally within a month of submitting a final comment letter to the IASB.

Statement on eCompliance with Due Process Compliance Statement

5.245.32 For each technical project, the The Secretariat summarises the due process activities undertaken in a closing control report called "Due Process Compliance Statement" assesses whether it has complied with the UKEB's due process activities as set out in this Handbook. For a description and content of this Statement refer to paragraph 11.2 in Section 11 of this Handbook.

5.25 The activities undertaken for a project are set out in, the "Compliance with Due Process Statement on compliance with due process steps". This document provides a record of what was done compared with what was agreed in the PIP. It would retrospectively validate that the process undertaken complied with the PIP and thus complies with due process requirements. Or, if what was done was different to the PIP, it includes an explanation as to why and how the activities meet due process requirements.

5.26 The Statement on compliance with due process steps Compliance with Due Process Statement includes the following sections:

- (a) a description of due process steps undertaken;

Commented [A36]: See Comment summary – reference #39.

Commented [A37]: See Comment summary – reference #40.

Commented [A38]: See Comment summary – reference #41.

- ~~(b) a summary of any matters raised about due process, the extent of stakeholder engagement and the areas in a proposed international accounting standard that are likely to be controversial;~~
- ~~(c) evidence and evaluation of the process that was undertaken (e.g. number of meetings held and summary of those meetings);~~
- ~~(d) an explanation of why the UKEB decided not to undertake a due process step for a given project (i.e. why it did not establish a technical advisory group); and~~
- ~~(e) a conclusion as to whether, in the UKEB Secretariat's opinion, there was compliance with applicable due process steps.~~

~~5.27 The UKEB discusses and approves them the Compliance with Due Process Statement for publication.~~

~~5.28 The Compliance with Due Process Statement Statement on compliance with due process steps is published on the UKEB's website, usually at the same time as the Feedback Statement.~~

6 Endorsement processes

UK Statutory requirements for endorsement and adoption

- 6.1 New or amended international accounting standards issued by the International Accounting Standards Board (IASB) are not part of UK-adopted international accounting standards until the UKEB has endorsed and adopted those standards¹⁵.
- 6.2 The primary objective of endorsing and adopting international accounting standards for use in the UK as set out in SI 2019/685¹⁶ is to harmonise the financial information presented by relevant companies 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 United Kingdom.
- 6.3 The regulatory power embodied in the UKEB's endorsement and adoption function lends weight and authority to the UKEB's influencing activity.

¹⁵ On Friday 21 May 2021, the Secretary of State for Business, Energy and Industrial Strategy (BEIS) delegated statutory powers to the newly established UK Endorsement Board (UKEB). One of the UKEB's delegated functions is the responsibility for the endorsement and adoption of IFRS for use by UK companies.

¹⁶ Regulation 5 of SI 2019/685: <https://www.legislation.gov.uk/uksi/2019/685/made>. See also section 2.1 in this Handbook [refer to Appendices 2-3 in this paper].

- 6.4 The UKEB adopts international accounting standards for use within the UK, in accordance with regulations 6–9 in SI 2019/685¹⁷ (these ~~Regulations~~ are described in paragraph 6.5 below).
- 6.5 Regulation 7—requires that an international accounting standard only be adopted if:
- a) “the standard is not contrary to either of the following principles—
 - (i) an undertaking’s accounts must give a true and fair view of the undertaking’s assets, liabilities, financial position and profit or loss;
 - (ii) consolidated accounts must give a true and fair view of the assets, liabilities, financial position and profit or loss of the undertakings included in the accounts taken as a whole, so far as concerns members of the undertaking;
 - b) the use of the standard is likely to be conducive to the long term public good in the United Kingdom; and
 - c) the standard meets the criteria of understandability, relevance, reliability and comparability required of the financial information needed for making economic decisions and assessing the stewardship of management.”
- 6.6 Regulation 8—contains a requirement to consult those with an interest in the quality and availability of accounts, including users and preparers, before adopting a standard.
- 6.7 ~~Regulation 6—permits the adoption of a standard in accordance with Regulations 7 and 8. In exceptional circumstances, where a standard taken as a whole cannot be adopted, it can be adopted in part where that part meets the endorsement criteria set out in Regulation 7 or an option available as part of a standard could be extended~~ permits the adoption of a standard in part only and/or to extend an option available as part of a standard. The Regulation states that this may occur “in exceptional circumstances”. Regulation 6(3)(b) indicates that the amended standard (i.e. the part-adopted standard) would need to meet the endorsement criteria set out in Regulation 7.
- 6.8 Regulation 9—sets out the requirement to publish a final decision on adopting a new or amended international accounting standard.

Commented [A39]: See Comment summary – reference #42.

Overview of UKEB endorsement and adoption processes

- 6.9 The UKEB applies its own processes before it decides to endorse and adopt a new or amended international accounting standard. This process is to ensure the Board fulfils its statutory responsibilities (set out in the previous section Section 2) for the endorsement and adoption of an IASB standard or amendment into UK-adopted international accounting standards. The endorsement and adoption processes This process takes place after a new or amended standard has been issued by the IASB and before the standard is effective. This process is described below.

Commented [A40]: See Comment summary – reference #43.

¹⁷ [Regulations 5-9 of Statutory Instrument (SI) 2019/685 The International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019: <https://www.legislation.gov.uk/uksi/2019/685/made> are reproduced in Appendix 3 of this paper].

6.10 ~~The expected mandatory milestones expected to be undertaken for the endorsement and adoption process most endorsement and adoption projects (except for the situations explained in paragraph 6.12) are:~~

- (a) Project initiation plan.
- (b) Desk-based research.
- (c) Public consultation on a draft Endorsement Criteria Assessment (DECA).
- (d) Outreach activities.
- (e) Project closure, including vote on adoption with the following documents:
 - (i) Final Endorsement Criteria Assessment (ECA).
 - (ii) Feedback Satement.
 - (iii) ~~Compliance with d~~Due ~~P~~rocess Compliance Satement.
 - (iv) Adoption Satement.
- (f) Publication of the documents set out in (e).

Commented [A41]: See Comment summary – reference #44.

6.11 ~~The activities undertaken to achieve the milestones in paragraph 6.10 should be proportionate to the technical issue(s) being addressed and will depend on its significance for UK stakeholders and on its complexity (i.e. nature or scope). The steps set out above will be undertaken in a proportionate manner depending on the significance and complexity (i.e. nature or scope) of the relevant standard or amendment. complex projects with major amendments, the outreach activities may be far more extensive, whereas for minor or narrow scope amendments (i.e. amendments that meet the IASB’s criteria for annual improvements or for narrow scope amendments)¹⁸. For example, it is expected that for ‘major’ projects or for complex projects with major amendments, the activities undertaken would be far more extensive than for other ‘minor’ projects (i.e. amendments that meet the IASB’s criteria for annual improvements or for narrow-scope amendments), whereas some activities (i.e. desk-based research or outreach activities) may be more limited.~~

6.12 ~~For ‘urgent’ amendments or ‘minor’ amendments that meet the IASB’s criteria for annual improvements or for narrow-scope amendments the milestones in paragraph 6.10 are not mandatory due process steps. This is because for ‘minor’ amendments the outreach activities may be mainly focused on obtaining responses on the Draft Endorsement criteria Assessment (DECA). For urgent amendments, making a DECA publicly available on the UKEB website for consultation may not be possible, and instead, consultation with a representative group of stakeholders and/or consulting with members of the UKEB’s standing and/or ad-hoc advisory groups may be appropriate¹⁹. However, the Secretariat should explain what steps will be undertaken~~

Commented [A42]: See Comment summary – reference #45.

¹⁸ The IASB and IFRS Interpretations Committee Due Process Handbook include the criteria for determining whether an issue comes within the scope of an annual improvement (paragraphs 6.10-6.14), or whether an issue meets the criteria for a narrow-scope amendment (paragraph 5.16(a)-(d)).

¹⁹ This is consistent with Regulation 8 of Statutory Instrument (SI) 2019/685.

~~and why some steps are being omitted, for Board approval and instead, consultation with a representative group of stakeholders may well be appropriate.~~

Project Initiation Plan

6.13 For a new or amended international accounting standard to be endorsed and adopted by the UKEB, a "Project Initiation Plan" (PIP) is prepared for approval by the Board.

6.14 The objective of the PIP is to assess the potential impact and scale of the new or amended standard and, consequently, the level of analysis and outreach that should be undertaken.

6.15 The PIP outlines the approach to the project, including the amount of desk-based research, outreach, ~~key milestones, and proposed timeline, available resources, objectives and expected output (i.e. draft/final Endorsement Criteria Assessment). The activities described in the PIP that is~~ should be proportionate to the standard or amendment under consideration for adoption. This approach should help ensure an appropriate level of resource is allocated to each project.

~~6.156.16~~ A PIP for a project that is not categorised by the IASB as a narrow-scope amendment (or as an annual improvement) is discussed, revised as directed and approved by the Board in a public meeting as a separate agenda item. For an IASB project that is a narrow-scope amendment (or an annual improvement), a PIP is tabled for noting, thereby giving Board members the opportunity to discuss it. The Board can then determine whether it should be discussed as a separate agenda item.

Commented [A43]: See Comment summary – reference #46.

Desk-based research

~~6.166.17~~ Desk-based research is undertaken to assist with the assessment of proportionality and to gather evidence on the issue. This will usually include a review of the IASB's previous work on this issue. It may also include, for example, a review of literature ~~review, academic papers, review of financial statements or of, review of~~ past papers ~~or reports~~ (by other ~~National-national~~ Standard-Setters (NSS) or by other stakeholders (i.e. users, preparers, academics, accounting firms, accounting bodies and regulators such as accounting firms, government, regulators, etc) as well as liaising with national standard-setters who have endorsed or are in the process of endorsing the same new or amended standard. .

Commented [A44]: See Comment summary – reference #47.

Draft endorsement criteria assessment (DECA)

~~6.176.18~~ The UKEB's ~~consideration of the~~ endorsement criteria ~~in paragraph 6.5 are~~ set out in the Annex ~~paragraph 6.5 of This Handbook. [the Annex will be presented to the Board for discussion at a future meeting].~~

Content

~~6.186.19~~ In general, a DECA considers and addresses the following:

- (a) Introduction: legislative framework and approach to the assessment:
 - (i) Purpose of the DECA;

- (ii) Summary and explanation of legislative background to endorsement criteria; and
- (iii) Description of endorsement criteria (including text of criteria from SI 2019/685) and what is meant by each criterion;
- (b) Rationale for the new or amended international accounting standard, i.e. summary background, context and objectives and main accounting requirements;
- (c) Technical criteria assessment:
 - (i) whether the standard meets the criteria of relevance, reliability, comparability and understandability required of the financial information needed for making economic decisions and assessing the stewardship of management (SI 2019/685 Regulation 7(1)(c))^{20,21}; and
 - (ii) whether the standard is not contrary to the principle that an entity's accounts must give a true and fair view (SI 2019/685 Regulation 7(1)(a))⁵⁻⁶.
- d) Whether use of the new or amended standard is likely to be conducive to the long term public good in the UK (SI 2019/685 Regulation 7(1)(b))⁵⁻⁶, including:
 - (i) whether the use of the standard is likely to improve the quality of financial reporting;
 - (ii) the costs and benefits that are likely to result from the use of the standard; and
 - (iii) whether the use of the standard is likely to have an adverse effect on the economy of the UK, including on economic growth.

Commented [A45]: See Comment summary – reference #48.

~~6.196.20~~ A DECA is made available for public consultation on the UKEB website. In exceptional circumstances for an urgent amendment this may not be possible and instead, consultation with a representative group of stakeholders, and/or consulting with members of the UKEB's standing and/or ad-hoc advisory groups is likely to may be appropriate. However, the Secretariat should explain what steps will be undertaken and why some steps are being omitted, for Board approval.

Commented [A46]: See Comment summary – reference #49.

~~6.206.21~~ The minimum consultation period is not less than 4 weeks unless there are exceptional circumstances. During this period, technical staff conducts outreach activities to gather input and feedback. In exceptional circumstance, for example, where an amendment is urgently required to be adopted by entities, the UKEB Board may approve a shorter comment period.

²⁰ Statutory Instrument (SI) 2019/685 The International Accounting Standards and European Public Limited Liability Company (Amendment etc.) (EU Exit) Regulations 2019: <https://www.legislation.gov.uk/uksi/2019/685/made>

²¹ [The text of the criteria in the Regulation is set out in Appendix 3].

Outreach activities

~~6.21~~6.22 Outreach activities will be proportionate to the significance and complexity (i.e. nature or scope) of the project (i.e. relevant standard or amendment) and may be undertaken throughout the endorsement assessment period.

~~6.23~~ For example, in the case of the endorsement of annual improvements or narrow-scope amendments, outreach activities are targeted to obtain ~~as many sufficient responses as possible~~ on the DECA.

~~6.24~~ In exceptional circumstances, for urgent amendments, making a DECA available for consultation may not be possible, and instead, consultation with a representative group of stakeholders and/or consulting with members of the UKEB's standing and/or ad-hoc advisory groups may be appropriate ~~is likely to~~ be appropriate.

~~6.22~~6.25 However, ~~for~~For more complex projects that include major amendments the UKEB may need or decide to conduct additional outreach activities due to the nature and/or size of the amendment or standard to be endorsed and adopted. This is, for example, when:

- a) an amendment or standard changes an area of accounting that affects most UK entities applying UK-adopted international accounting standard; or
- b) an amendment or standard changes an area of accounting that affects a small number of UK entities applying UK-adopted international accounting standards but it is a major change.

~~6.23~~6.26 Additional outreach activities that could be undertaken to gather input, views, opinions or feedback are described in section 5 of this Handbook (paragraphs 5.18–5.22), and may include

~~6.24~~ convening and obtaining input from standing and ad hoc advisory groups such as standing groups of users or preparers or from Technical Advisory Groups (TAGs);

~~6.25~~ meetings and/or interviews with stakeholders, including investors/users, preparers, auditors or regulators or representative bodies;

~~6.26~~ undertaking fieldwork (refer to paragraphs 5.17-20-5.18 of this Handbook²²);

~~6.27~~ the use of standing advisory groups and academic panels;

~~6.28~~ the commissioning of external economic studies (i.e. data gathering and analysis conducted by external consultants to assess aspects of the economic impact of a standard on the UK); and

~~6.29~~ liaison with IASB and other international NSS.

Commented [A47]: See Comment summary – reference #50.

²² Refer to Appendix [X] in this Handbook.

- ~~6.30 Liaison with the IASB when assessing an international accounting standard for endorsement can enhance the efficiency and effectiveness of the UKEB's work. Examples of benefits could include:~~
- ~~6.31 enhanced credibility and attraction of outreach events if conducted jointly with the IASB;~~
- ~~6.32 greater insight into technical issues and the IASB's basis for conclusions based on discussions with the IASB;~~
- ~~6.33 IASB presentations to the secretariat, to advisory groups or directly to the Board;~~
- ~~6.34 early awareness of issues arising from UK stakeholders; and~~
- ~~6.35 use of IASB material for Board educational purposes or in Endorsement Criteria Assessments.~~
- ~~6.36 The UKEB will maintain full transparency about its interaction with the IASB and other stakeholders. Steps will include:~~
- ~~a) maintaining a public register of meetings between senior staff and Board members of the IASB and of the UKEB; and~~
- ~~b) being transparent about the sources of information used in UKEB material, including in Endorsement Criteria Assessments.~~
- ~~6.37 In exceptional circumstances, for urgent amendments, making a DECA available for consultation may not be possible, and instead, consultation with a representative group of stakeholders is likely to be appropriate.~~

Project closure

Voting on the adoption of a new or amended international accounting standard

- ~~6.386.27~~ The formal voting process by which Board members make a decision on the adoption of a new or amended international accounting standard are set out in the UKEB's Terms of Reference (Section 5, paragraphs 5.1–5.2).
- ~~6.396.28~~ Decisions made at ~~UKEB~~ public ~~Board~~ meetings follow the requirements of the UKEB's Terms of Reference as follows:
- (a) Quorum attendance—a minimum of sixty percent of the appointed members²³ are required to attend a meeting of the ~~UKEB Board~~ (ToR, paragraph 5.1).
- (b) Decision-making—an affirmative vote of at least two-thirds of the ~~appointed Board members of the UKEB~~ (ToR, paragraph 5.2), is required for the decision to be passed. Each member of the ~~UKEB Board~~ has one vote. A situation where the two-thirds majority cannot be obtained, may restart the endorsement and adoption process.–

Commented [A48]: See Comment summary – reference #51.

²³ The term 'members' includes the UKEB Chair.

~~6.406.29~~ A **"tentative"** vote on the adoption of a new or amended international accounting standard is made at ~~an UKEB public Board public~~ meeting and is indicative only. **A formal vote is required to endorse and adopt a new or amended international accounting standard. This** ~~The~~ vote is formalised by circulation outside the meeting by a written vote (in paper or electronic form), and the vote constitutes proper evidence of the decision of ~~the members of the Board-members of the UKEB~~.

Commented [A49]: See Comment summary – reference #52.

~~6.416.30~~ A **formal** written vote is accompanied by the following documents:

- a) a copy of the new or amended international accounting standard;
- b) a copy of the 'Adoption package' that includes:
 - (i) A final Endorsement Criteria Assessment (ECA);
 - (ii) A Feedback statement;
 - (iii) A ~~Compliance with due~~ **Due Process Compliance S**atement; and
 - (iv) An Adoption statement.

~~6.426.31~~ Once the vote is completed the 'Adoption package' is published **on the UKEB website**.

Adoption package

~~6.436.32~~ The following paragraphs set out a description of the content of the individual documents included in the 'Adoption package'.

Final Endorsement Criteria Assessment (ECA)

~~6.446.33~~ The UKEB considers the stakeholder feedback received on the DECA and uses this input to issue a final version of the Endorsement Criteria Assessment (final ECA)

Feedback statement

~~6.456.34~~ Consultation feedback received on the DECA **(and any other input and feedback derived from other outreach activities)** is recorded, assessed, the evidence evaluated, and reported to the UKEB in a Feedback Statement.

Commented [A50]: See Comment summary – reference #53.

~~6.466.35~~ The purpose of a Feedback Statement is to inform stakeholders how the UKEB has responded to, or addressed, the main comments or views received from stakeholders. It also demonstrates the UKEB's adherence to its overarching guiding principles (accountability, transparency, independence **and thought leadership**).

~~6.476.36~~ The form and content of the Feedback Statement will be proportionate to the objective of the underlying document and would generally include the following content:

- a) an objective;
- b) summary background of the new or amended standard;

- c) an explanation of the main feedback received on the DECA, through comment letters or other outreach activities;
- d) a description of the UKEB's response (i.e. how comments or views received from stakeholders have been addressed in the final ECA); and
- e) a summary of the sources of stakeholder comments, e.g. from individual stakeholder meetings, formal responses to the DECA or via other outreach events.

~~6.37 The Board discusses and provides comments on a draft Feedback Statement and approves the final Feedback Statement for publication.~~

~~6.486.38 A Feedback Statement is published on the UKEB's website, usually at the same time as the final ECA is finalised. The UKEB considers and approves the Feedback Statement for publication.~~

~~Compliance with Due Process Compliance Statement~~

~~6.496.39 For each technical project, the The Secretariat summarises the due process activities undertaken in a closing control report called "Due Process Compliance Statement assesses whether it has complied with the UKEB's. For a description and content of this Statement refer to paragraph 11.2 in Section 11 of this Handbook. due process activities as set out in this Handbook~~

~~6.50 The activities undertaken for a project are set out in the Compliance with Due Process Statement. This document provides a record of what was done compared with what was agreed in the PIP. It would explain the reasons for any changes in activities from those described in the PIP.~~

~~6.51 The Compliance with Due Process Statement would generally include the following content:~~

- ~~(f) a description of due process steps undertaken;~~
- ~~(g) the extent of stakeholder engagement;~~
- ~~(h) evidence and evaluation of the process that was undertaken (e.g. number of meetings held and summary of those meetings);~~
- ~~(i) an explanation of why the UKEB decided to change the process described in the PIP; and~~
- ~~(j) a conclusion as to whether, in the UKEB Secretariat's opinion, there was compliance with applicable due process steps. The UKEB discusses and approves the Compliance with Due Process Statement at a public meeting. [more detailed due process steps on reporting compliance with the Handbook will be presented to the Board for discussion at a future meeting].~~

Adoption statement

~~6.526.40~~ The Adoption statement includes:

- a) a statement that the new or amended standard has been:
 - (i) adopted for use within the UK, in compliance with the requirements in Regulations 7 and 8 of SI 2019/685 and reasons for this decision; or
 - (ii) been partially adopted in accordance with paragraph (3) of Regulation 6 of SI 2019/685 and any reasons for this decision;
- b) when applicable, reasons for extending the scope of undertakings eligible to use an option in the standard in accordance with paragraph (4) of Regulation 6, setting out the full details;
- c) a description of the financial years in respect of which that standard must be used; and
- d) the wording of the adopted standard [\(in a separate document\)](#).

~~6.536.41~~ On an annual basis, the UKEB updates the new or amended international accounting standards that have been adopted during the year to the consolidated text of UK-adopted international accounting standards²⁴

7 Thought leadership and research programme

Objectives of thought leadership

- 7.1 As part of the guiding principle of thought leadership, paragraph 4.5 of the UKEB's ToR states that the UKEB is committed to:
- (a) lead the UK debate on international accounting standards and reporting;
 - (b) participate pro-actively in the development of new global standards, [for example by undertaking research](#);
 - (c) represent UK views in international fora with the aim of influencing debate; and
 - (d) engage with accounting, reporting, endorsement and adoption bodies in other jurisdictions, in order to improve influence and understand best practice.

Leading the UK debate

- 7.2 The UKEB leads the UK debate on international accounting standards and reporting by [ensuring making sure](#) that the views from UK stakeholders are heard and their needs understood during the development of new or amended international accounting standards.
- 7.3 The UKEB achieves this by:

²⁴ This is consistent with Regulation 9(3) of Statutory Instrument (SI) 2019/685. [The text of this Regulation is reproduced in Appendix 3.](#)

- (a) identifying key stakeholder groups, preparing outreach plans, and taking suitable approaches to each stakeholder group;
- (b) ~~assisting UK stakeholders in communicating with the IASB, for example by giving them UK stakeholders a platform to provide the IASB with direct specialist input on areas of concern through roundtables, forums, workshops, panel discussions or education sessions organised by the UKEB or through the UKEB's advisory groups;~~
- ~~(c) creating specific panels or committees of UK stakeholders to advise on topics requiring specialist input;~~
- ~~(d)~~(c) soliciting UK stakeholders' comment on public consultation documents and/or UKEB's draft comment letters; and
- ~~(e)~~(d) arranging, where appropriate, for IASB Board members and/or for IASB staff to participate in UKEB's outreach events to enable first-hand understanding of any concerns or views expressed by UK stakeholders.

Commented [A51]: See Comment summary – reference #54.

Commented [A52]: See Comment summary – reference #55.

Participating proactively in the development of global standards

7.4 The UKEB proactively participates in the development of new global accounting standards by:

- (a) engaging with UK stakeholders and collecting evidence on relevant technical issues ~~(but that are not being that may not be considered addressed~~ by the IASB or other national standard-setters);
- (b) developing potential ways to improve or remedy deficiencies in ~~financial reporting, or solving complex financial reporting problems,~~ international accounting standards; and
- (c) working closely with ~~other parties~~ others on long-term proactive work to stimulate debate on financial reporting matters on the IASB agenda at an early stage in the standard-setting process.

Commented [A53]: See Comment summary – reference #56.

Commented [A54]: See Comment summary – reference #57.

Representing UK views in international fora or in media with the aim of influencing debate

7.5 The UKEB directly influences the IASB Board and maintains a global presence on the international financial stage by:

- (a) identifying and promoting the appointment of UK representatives to ~~key international accounting bodies~~ the IASB. For example, to the IASB's Accounting Standards Advisory Forum (ASAF) to ensure that UK input on major technical issues related to the IASB's standard-setting activities is discussed and considered in this forum;
- (b) maintaining effective relationships, communication and presence with ~~the IASB and other significant~~ national standard-setters. For example, by:

Commented [A55]: See Comment summary – reference #58.

- (i) participating in the World Standard-Setters conference organised by the IASB to share international accounting standards implementation and application experiences with other standard-setters around the world;
- (ii) participating in other international accounting forums organised by other parties independently (e.g. International Forum of Accounting Standard-Setters (IFASS));
- (iii) regularly attending (in person or remotely) key meetings and conferences of international financial reporting bodies to ensure adequate analysis and input, including expressing UK views;
- ~~(iv) developing joint thought leadership documents and building coalitions to further represent and promote UK views;~~
- (c) developing and presenting the UKEB's own thought leadership material to promote UK views and lead on the accounting debate at relevant international forums; ~~and~~
- ~~(d)~~ communicating outcomes from international engagements to UK stakeholders, to assist in identifying concerns with international proposals; and
- ~~(e)~~ issuing articles, podcasts or videos, to stimulate debate on a particular matter or technical issue. The Board does not express any opinion or tentative views on the matters presented in such papers or reports.

Commented [A56]: See Comment summary – reference #59.

Commented [A57]: See Comment summary – reference #60.

Commented [A58]: See Comment summary – reference #66.

Engaging with other bodies in other jurisdictions

~~7.6 The UKEB actively engages with accounting, reporting, endorsement, and adoption bodies in other jurisdictions and develops effective working relationships with other key national standard-setters, including:~~

~~7.7 developing close co-operation, support and communications with other national standard-setters;~~

~~7.8 forming coalitions to develop support for key UK views and promote best practice; and~~

~~7.9 developing joint thought leadership and research documents.~~

~~7.107.6 Regular contact between the UKEB and other national standard-setters in other jurisdictions can help increase the understanding, and awareness and support for of jurisdictional differences or differences in thinking UK views, thereby, allowing the UKEB to lead on the accounting debate, and provides all participants with the opportunity to contribute to debates and the development of international accounting standards.~~

Commented [A59]: See Comment summary – reference #61.

~~7.117.7 The UKEB and other national standard-setters can interact in a range of ways including developing joint thought leadership and research documents, regular and ad-hoc emails, conferences and roundtables, blogs, articles, regional forums or, telephone exchanges and face-to-face meetings.~~

Commented [A60]: See Comment summary – reference #61.

~~7.12 When working with other international accounting, reporting, endorsement, and adoption bodies, the UKEB is committed to working:~~

- ~~(a) in close co-operation, while respecting their independence;~~
- ~~(b) transparently and openly, including the sharing of information and, where necessary, resources;~~
- ~~(c) with mutual trust and respect; and~~
- ~~(d) with a sense of duty, responsibility, and accountability for achieving the shared goal in the public interest.~~

Research programme

Objective

~~7.137.8~~ Research is generally directed to identify specific issues associated with projects that are on the UKEB's technical agenda. As such, research may be expected to have a problem-solving orientation by collecting evidence on the nature and extent of the perceived shortcomings of, and assessing potential ways to improve or to remedy a deficiency in international accounting standards; financial reporting.

~~7.147.9~~ This type of research helps the UKEB ~~assist the IASB in the:~~

- ~~(a) identification of a new technical research project that could potentially be included in the UKEB's/IASB's work plan (for example, in response to the IASB's five-yearly consultation request); or~~
- ~~(b) assist the IASB in the identification of a new technical issue (for example, in response to the IASB's five-yearly agenda consultation request).~~
- ~~(b) development of a proposal to amend or replace an international accounting standard; or~~

~~7.157.10~~ Other more theoretical and conceptual explorative research may also be performed by the UKEB to include the consideration of broader financial reporting matters, such as how financial reporting is evolving, and to encourage international debate on financial reporting matters. This type of research may be formally added to the UKEB's technical agenda.

~~7.167.11~~ Research may be undertaken by the UKEB on its own or collectively with others (i.e. national standard-setters, regulators, academics and other interested parties); the latter when there are on topics of mutual interest.

Main outputs

~~7.177.12~~ The primary outputs derived from the UKEB's research programme are explained in the table below:

Commented [A61]: See Comment summary – reference #62

Commented [A62]: See Comment summary – reference #63

Commented [A63]: See Comment summary – reference #62

Commented [A64]: See Comment summary – reference #64.

Type	Discussion Paper	Research Paper	Request for Information
Issued by	The Board.	The Secretariat	The Board.
Description	A Discussion Paper includes a comprehensive overview of technical issues, possible approaches to addressing these issues and preliminary views from the Board and an Invitation to Comment.	A Research Paper includes a comprehensive overview of technical issues. It may include possible approaches to addressing these issues and preliminary views from the Secretariat and an invitation to comment. It is prepared by the Secretariat on its own. It may include collaborations from other national standard-setters or bodies.	A Request for Information is a formal request for information or feedback on a matter related to technical projects or broader consultations. This includes seeking comments on the UKEB's technical work plan, post-implementation reviews ²⁵ , or help in assessing the practical implications of a potential financial reporting requirement.
Reflects Board members' views?	Yes – Reflects the Board's analysis and collective view on a particular topic, although the discussion will reflect and convey any significant differences in Board members' views.	No – Reflects views from the Secretariat.	No – It is a request for information and does not reflect views from the Board or from the Secretariat.
Discussed at a public Board meeting?	Yes – The matters included in a Discussion Paper are discussed at public Board meetings.	Can be discussed at a public Board meeting to provide some input to the Secretariat. However, a Research Paper will not include any formal or preliminary views from the Board.	Yes – The matters included in a Request for Information are discussed at public Board meetings. However, a Request for Information will not include any formal or preliminary views from the Board.
Approval by the Board	To be published a Discussion Paper requires the affirmative vote of at least two-	To be published a Research Paper requires the support of a simple majority of the	To be published a Request for Information requires the support of a simple majority of the

²⁵ Section 8 of this Handbook 'Post-implementation Reviews' provides an overview of the process that the UKEB follows for responding to IASB's Requests for Information on IASB's Post-implementation Reviews and for conducting its own post-implementation reviews.

Type	Discussion Paper	Research Paper	Request for Information
	<p>thirds of the members of the Board. The voting is made at a public Board meeting and is indicative only. The vote is formalised by circulation outside the meeting by a written vote (in paper or electronic form), and the vote constitutes proper evidence of the decision of the Board.</p>	<p>full Board members, with approval given in a public meeting.</p>	<p>full Board members, with approval given in a public meeting.</p>

(a) ~~A **discussion paper** or **research paper**. They are both issued by the Board and designed to elicit comments from interested parties. They typically include a comprehensive overview of technical issues, possible approaches to addressing these issues and preliminary views from the UKEB and an invitation to comment. Their main differences are discussed below:~~

~~(i) **Discussion paper**—is the most formal output from the research process. It is **balloted by the Board** and therefore reflects the UKEB's analysis and collective view on a particular topic, although the discussion will reflect and convey any significant differences in Board members' views. The matters included in a discussion paper will have been discussed in public meetings of the Board.~~

~~(ii) **Research paper**—is prepared by the UKEB on its own or in collaboration with other national standard-setters or bodies. A research paper is not balloted, but requires board approval to be published by the UKEB and will include a clear statement of the extent of the Board's involvement in the development of the research paper. In some cases, the Board will not have discussed the paper in a public meeting and will not, therefore, have developed any views on the matters set out in the paper.~~

~~(b) **A request for information** is issued by the Board but it is not balloted by the Board. A request for information is a formal request for information or feedback on a matter related to technical projects or broader consultations. This includes seeking comment on the technical work plan, post-implementation reviews (conducted by the UKEB)²⁶, or seeking help in assessing the practical implications of a potential financial reporting requirement.~~

Commented [A65]: See Comment summary – reference #65.

²⁶ Section 8 of this Handbook 'Post-Implementation Reviews' provides an overview of the process that the UKEB follows for responding to IASB's Requests for Information on IASB's Post-implementation Reviews and for conducting its own post-implementation reviews.

~~7.18 Other outputs are **informal papers or reports** issued by the UKEB Secretariat or in collaboration with other parties. Their main objective is to stimulate debate on a particular matter or technical issue. The Board does not express any opinion or tentative views on the matters presented in such papers or reports. These may include:~~

- ~~(a) A short discussion paper— addresses topical and problematic technical issues in financial reporting to stimulate debate on those matters;~~
- ~~(b) A bulletin, essay or article—discusses particular technical issue(s) related to a particular IASB project as this project is being developed to assist with stakeholders' understanding.~~

Milestones

~~7.197.13~~ The ~~mandatory expected~~ milestones ~~expected to be achieved~~ for most research projects ~~(except for the situation explained in paragraph 7.15)~~ are:

- ~~(a) Identification of issues for research;~~
- ~~(b) Project initiation plan;~~
- ~~(c) Desk-based research;~~
- ~~(d) Outreach;~~
- ~~(e) Publication of a Discussion Paper, a Research Paper or a Request for Information; and~~
- ~~(f) Project closure, including: ~~issue of 1) a Feedback Statement (for a Discussion Papers) a comment letter summary (for a Research Paper and for a Request for Information) and 2) a Due Process Compliance Statement (only required when issuing for a Discussion Paper).~~~~

~~7.14 The activities undertaken to achieve the milestones in paragraph 7.13 should be proportionate to the issue(s) that are part of the UKEB's research and will depend on its significance for UK stakeholders and on its complexity (i.e. nature or scope). For example, it is expected that for 'major' research projects the activities undertaken would be far more extensive than for other 'minor' research projects where some activities such as desk-based research or outreach activities may be somewhat more limited.~~

~~7.207.15~~ For a Research Paper that is not requesting views or input from the public, the milestone in paragraph 7.13(f) is not a mandatory due process step.

Identification of ~~research projects~~ issues for research

~~7.217.16~~ The UKEB's ~~e~~S Secretariat may identify ~~or may receive proposals to research an issue (for example from academics)~~ and submit research proposals to the UKEB's ~~e~~ Chair for consideration. Proposals may arise from the UKEB's ~~e~~S Secretariat own research, ~~from a Board member, derived~~ from consulting with the UKEB's advisory groups or from

Commented [A66]: Some of this content was moved to the "Thought Leadership" section. See paragraph 7.5(e) See Comment summary – reference #66.

Commented [A67]: See Comment summary reference #67–70.

Commented [A68]: See Comment summary – references #67–70.

Commented [A69]: See Comment summary – reference #71.

comments and information gained from public hearings, fieldwork (refer to paragraphs [5.21–5.22](#) of this Handbook²⁷) as well as stakeholder comment letters.

Project Initiation Plan

[7.227.17](#) For a research project to be incorporated into the UKEB’s work plan, a “Project Initiation Plan” (PIP) is prepared for approval by the Board.

[7.237.18](#) The objective of the PIP is to assess the potential impact and scale of the research project and, consequently, the level of analysis and outreach that should be undertaken.

[7.247.19](#) The PIP outlines the approach to the project, including the amount of desk-based research, outreach, key milestones, proposed timeline, [available resources](#), objectives, project scope and expected output (i.e. Research Paper, Discussion Paper or a Request for Information). The activities described in the PIP should be proportionate to the issue being addressed. This approach should help ensure an appropriate level of resource is allocated to each project.

[7.257.20](#) If the research is carried out collectively with other parties (i.e. national standard-setters, regulators, ~~or~~ academics [or others](#)) then agreement on the following will be achieved before commencement of work:

- (a) the responsibilities and expectations of each party involved, including expectations about use of the project output;
- (b) whether the project will present only an analysis of the facts or whether it will contain views or recommendations; and
- (c) the expected output (i.e. Research Paper, Discussion Paper or Request for Information), copyright and publication rights over the output.

[7.267.21](#) ~~The UKEB usually allows a minimum of 90 days for comment on such a consultation. If the information request is narrow in scope and/or urgent the UKEB may set a shorter period. The UKEB normally allows at least 120 days for comment on a discussion paper, a research paper, and request for information (i.e. on the work plan or on a UKEB post-implementation review). For the UKEB normally allows a minimum of 60 days for comment. If the information request is narrow in scope and urgent the UKEB may set a shorter period and need not consult the oversight body before doing so~~

Desk-based research

[7.277.22](#) Desk-based research is undertaken to assist with the assessment of proportionality and to gather evidence on the issue. This will usually include a review of the IASB’s previous work on this issue. It may also include, for example, a review of literature, academic papers, financial statements or of past papers or reports (by other national standard-setters or by other stakeholders [\(i.e. users, preparers, academics, accounting firms, accounting bodies, regulators or others\)](#)~~such as accounting firms,~~

²⁷ [\[Refer to Appendix 3 in this paper\]](#).

Commented [A70]: See Comment summary – reference #72.

government, etc), as well as liaising with national standard-setters who have who have performed or are in the process of performing research on the same (or related) project.

Outreach

~~7.287.23~~ Outreach is conducted with stakeholders that represent different stakeholder communities, (i.e. users, preparers, academics, accounting firms, accounting bodies and regulators~~financial statement users, preparers, accounting practitioners and academia~~) to gather their input, views, opinions or feedback on specific projects or technical matters.

~~7.297.24~~ The outreach activities that could be undertaken to gather input, views, opinions or feedback are described in section 5 of this Handbook (paragraphs 5.18–5.22). ~~UKEB undertakes outreach in the following ways~~

- ~~(a) the use of standing advisory groups;~~
- ~~(b) convening and obtaining input from ad-hoc advisory groups such as Technical Advisory Groups (TAGs);~~
- ~~(c) meetings and/or interviews with stakeholders, including users, preparers, auditors or regulators or representative bodies;~~
- ~~(d) undertaking fieldwork (refer to paragraphs 5.17-5.18 of this Handbook²⁸);~~
- ~~(e) the commissioning of external economic studies (i.e. data gathering and analysis conducted by external consultants to assess aspects of the economic impact of a standard on the UK); and~~
- ~~(f) liaison with IASB and other national standard-setters.~~

Publication

Discussion ~~P~~papers

~~7.307.25~~ Board members make a decision at a public meeting about the publication of a Discussion ~~P~~paper.

~~7.317.26~~ Decisions made at UKEB public Board meetings follow the requirements of the UKEB's Terms of Reference (Section 5, paragraphs 5.1–5.2 of the ToR):

- ~~(a) Quorum attendance—a minimum of sixty percent of the appointed members²⁹ are required to attend a Board meeting ~~of the UKEB~~ (ToR, paragraph 5.1).~~
- ~~(b) Decision-making—an affirmative vote of at least two-thirds of the appointed Board members ~~of the UKEB~~ (ToR, paragraph 5.2), is required for the decision to be passed. Each Board member ~~of the UKEB~~ has one vote. ~~A situation where the two-thirds majority cannot be obtained, may restart the endorsement and~~~~

Commented [A71]: See Comment summary – reference #73

²⁸ [Refer to Appendix 3 in this paper].

²⁹ The term 'members' includes the Chair.

~~adoption process.~~

~~7.327.27~~ A “tentative” vote on the publication of a Discussion Paper is made at an UKEB a public Board meeting and is indicative only. A formal vote is required to approve the publication of a Discussion Paper. ~~The This~~ vote is formalised by circulation outside the meeting by a written vote (in paper or electronic form), and the vote constitutes proper evidence of the decision of ~~the~~ members of the UKEB Board.

~~7.337.28~~ A formal written vote is accompanied by a copy of the Discussion Paper.

Research Papers and Requests for Information

~~7.347.29~~ Research Papers and Requests for Information do not require a formal written vote by the Board and are not balloted by the Board and only require the support of a simple majority of the full Board members, with approval given in a public meeting.

Project closure

Feedback Statement required when issuing a Discussion Paper

~~7.357.30~~ Input and feedback received on a request for information Discussion Paper is recorded, assessed, the evidence evaluated, and then incorporated into the analysis and discussion of the technical issues in a “Feedback Statement”. For the objectives and content of this statement refer to paragraphs 5.26–5.29 in this Handbook.

Comment Letter Summary required when issuing a Discussion Paper Research Paper or a Request for Information

7.31 Input and feedback received on a Research Paper or on a Request for Information is summarised in a “Comment Letter Summary”.

7.36 The purpose of a Feedback Statement is to inform stakeholders how the UKEB has responded to, or has addressed, the main comments or views received from stakeholders who participated in a specific outreach events or submitted comment letters on a specific project. For the objectives and content of a Feedback Statement refer to paragraphs in this Handbook³⁰.

7.32 In general, a Comment Letter Summary includes the following content:

- (a) a brief description of the research project, i.e. summary background;
- (b) an explanation of the main feedback received through comment letters or other fieldwork or outreach activities; and
- (c) a summary of the sources of stakeholder comments, e.g. from individual stakeholder meetings, formal responses to research papers and/or requests for information or via other outreach events.

³⁰ [Refer to Appendix 3 in this paper.]

Commented [A72]: See Comment summary – reference #74.

Commented [A73]: See Comment summary – reference #69.

~~7.37.33~~ [A Comment Letter Summary on a Research Project or on a Request for Information is discussed at a Board meeting and published on the UKEB website.](#)

[Due Process Compliance Statement – required for a Discussion paper](#)

[7.34 For a research project that involves issuing a Discussion Paper the Secretariat summarises the due process activities undertaken in a closing control report called “Due Process Compliance Statement. For a description and content of this Statement refer to paragraph 11.2 in Section 11 of this Handbook.](#)

Commented [A74]: See Comment summary – reference #68

8 Post-implementation reviews

Introduction

8.1 A post-implementation review (PIR) assesses the effect of a new or amended international accounting standard or of a major amendment to an international accounting standard and determines whether:

- (a) [the requirements in international accounting standards result in reporting entities providing financial information that is useful in making informed economic decisions](#)~~international accounting standard is useful~~;
- (b) there are any significant unexpected changes to financial reporting or operating practices resulting from the application of the international accounting standard;
- (c) there are unexpected costs or challenges in applying the international accounting standard;
- (d) there are any areas of the international accounting standard that represent interpretation challenges and, as a result, impair the consistent application of the international accounting standard; and
- (e) the international accounting standard is understandable and it is being applied as intended, and whether preparers are able to report the information reliably.

[Influencing IASB Post-implementation reviews](#)

8.2 The UKEB’s work on influencing the development of international accounting standards includes monitoring and responding to IASB post-implementation reviews of international accounting standards.

8.3 The IASB is required to conduct a post-implementation review of each new IFRS Standard or major amendment. [This review normally begins](#) after the new requirements have been applied internationally for two years³¹. The IASB commences its [PIR post-implementation review](#) with a Request for Information which sets out the initial identification and assessment of the matters to be examined.

³¹ [Refer to paragraphs 6.48–6.59 in the IASB and IFRS Interpretations Committee Due Process Handbook.](#)

8.4 The UKEB follows the influencing processes in Section 5 of this Handbook to respond to an IASB Request for Information.

8.5 In addition, the UKEB promotes awareness of IASB post-implementation reviews in the UK, and consults stakeholders and its advisory committees, asking them for input.

~~8.6 The UKEB follows the influencing processes in Section 5 of this Handbook to respond to an IASB's Request for Information.~~

Commented [A75]: Deleted to avoid repetition with paragraphs 8.4

Processes for ~~the a~~ UKEB's Post-implementation Review ~~work~~

Objectives

~~8.78.6~~ Paragraph 3 in Regulation 11 in SI 2019/685³² contains a requirement to:

- (a) "carry out a review of the impact of the adoption of the standard; and
- (b) publish a report setting out the conclusions of the review no later than 5 years after the date on which the standard takes effect (being the first day of the first financial year in respect of which it must be used)".

~~8.88.7~~ Paragraph 4 in Regulation 11 in SI 2019/685 contains a requirement to:

- (a) carry out subsequent reviews from time to time; and
- (b) publish a report setting out the conclusions of any review conducted.

~~8.98.8~~ The obligations in Regulation 11 in SI 2019/685 can be fulfilled for most international accounting standards by influencing and responding to IASB's post-implementation reviews (refer to paragraphs 8.2–~~8.6~~~~5~~ in this Handbook).

~~8.108.9~~ However, the UKEB may consider performing its own post-implementation review of international accounting standards to test their continuing relevance in line with the requirements in Regulation 11 in SI 2019/685. ~~This should be done no later than 5 years after the date on which the international accounting standard takes effect, in accordance with paragraph (3)(b) of this Regulation. For example, this could be due to the IASB not deciding to undertake a detailed post-implementation review on a standard that has significance in the UK.~~

~~8.10~~ ~~The UKEB can decide that a post-implementation review is needed no later than 5 years after the date on which the international accounting standard takes effect, in accordance with paragraph (3)(b) of Regulation 11 in SI 2019/685. The UKEB may decide to perform its own post-implementation review of an international accounting standard when for example:~~

- (a) ~~the IASB decides not to undertake a detailed post-implementation review on an international accounting standard that has significance in the UK; or~~

Commented [A76]: See Comment summary – reference #75.

³² [<https://www.legislation.gov.uk/uksi/2019/685/made>].

(b) a change in a (revised) international accounting standard is so significant that a review is needed.

8.11 If the UKEB decides not to undertake a post-implementation review of a particular international accounting standard it may decide to start, instead, a research project following the processes set out in Chapter 7 of this Handbook.

8.118.12 Each post-implementation review that the UKEB carries out has two phases as described below.

First phase of a UKEB post-implementation review

8.128.13 In the first phase of a post-implementation review, the UKEB sets out the scope of the review, on the basis of targeted consultation with stakeholders that represent different stakeholder communities, (~~such as i.e. users, preparers, academics, accounting firms, accounting bodies and regulators~~ users, preparers or academia³³) to gather their input, views, opinions or feedback on specific projects or technical matters. These initial consultations help the UKEB establish the questions to ask in the public request for information.

8.138.14 Based on an initial assessment, the UKEB may determine that it would be premature to undertake a review at that time and decide not to conduct a post-implementation review. ~~In this situation, the UKEB informs its oversight body of its decision not to carry out a review or of its decision to defer a review, explaining why it has reached this conclusion and, in the case of a deferral, indicating when it expects to conduct the review.~~

8.148.15 The expected milestones for the first phase are:

- a) Project initiation plan (PIP);
- b) Desk-based research;
- c) Initial consultation;
- d) Publication of a Request for Information; and
- e) Project closure: issue of a Final report and of a Due Process Compliance Statement for a UKEB Post-implementation review.

Project Initiation Plan

8.158.16 The objective of the PIP is to assess the need to undertake a post-implementation review of an international accounting standard and if it is determined that the post-implementation review should go ahead, the PIP includes the level of analysis and outreach that should be undertaken.

8.168.17 The PIP outlines a proportionate approach for the review (i.e. the matters for which feedback is needed), including the amount of desk-based research, outreach, and

³³ Refer to Section 9 'Advisory Groups' in this Handbook. ~~[The secretariat will bring this section of the Handbook for discussion at a future meeting].~~

the proposed timeline. It further explains why the UKEB should seek feedback on the matters specified and includes any initial assessment of the international accounting standard. The PIP will also set out the process that the UKEB followed in establishing the scope of the review.

Desk-based research

~~8.178.18~~ Desk-based research is undertaken to assist with the assessment of proportionality and to gather evidence on the need for a PIR. This will usually include review of:

- a) the IASB's and the UKEB's previous work on the issue to identify the issues that were important or contentious during the development of the international accounting standard, which should be identifiable from the Basis for Conclusions, project summary, Feedback Statement and Effect Analysis, of the relevant Standard;
- b) any relevant research, including that performed by ~~UKEB staff~~ the Secretariat and academics; and
- c) any issues ~~notified brought to the~~ to the UKEB's attention prior to the commencement of the PIR.

~~8.188.19~~ It may also include, for example, a review of literature, academic papers, financial statements or of past papers or reports (by other national standard-setters or by other stakeholders (i.e. users, preparers, academics, accounting firms, accounting bodies and regulators), as well as liaising with national standard-setters who have carried out influencing activities or are in the process of performing such activities on the same (or related) projects ~~a review of literature, academic papers, financial statements or of past papers or reports (by other national standard-setters or by other stakeholders such as accounting firms, government, etc).~~

Initial consultation

~~8.198.20~~ The ~~UKEB Board~~ and its ~~Secretariat~~ will consult with stakeholders the wider community to help identify areas where unexpected costs or implementation problems were encountered.

~~8.208.21~~ This initial review should draw on the broad network of UKEB related bodies and interested parties, such as the UKEB's advisory groups, and other outside groups of, for example, preparers, auditors ~~and investors~~ users. The purpose of these consultations is to inform the UKEB so that it can establish an appropriate scope for the review. The extent of consultation needed for this phase will depend on the Standard being reviewed and pre-existing information about the implementation of that Standard.

Publication of a Request for Information

~~8.218.22~~ When the UKEB is satisfied that it has sufficient information to establish the scope of the review it issues a request for information on the Post-implementation review of the international accounting standard.

~~8-228.23~~ A Request for Information sets out the matters for which the UKEB is seeking feedback together with a rationale for the information being sought and any initial assessment by the UKEB of the impact of the international accounting standard.

~~8-238.24~~ Requests for Information ~~are not balloted~~ do not require a written vote by the Board and only require the support of a simple majority of the Board members, with approval given in a public meeting.

~~8-248.25~~ The UKEB ~~normally~~ usually allows a minimum of 90 days for comment on such a consultation.

Second phase of a UKEB post-implementation review

~~8-258.26~~ In the second phase the UKEB collects information, via the request for information and a review of existing research, to help it assess the international accounting standard being reviewed. During this evidence-gathering phase of the post-implementation review the UKEB also conducts outreach activities to engage with different stakeholders.

Outreach activities

~~8-268.27~~ The UKEB's outreach activities will be focused on seeking implementation issues.

~~8-278.28~~ Outreach is conducted with stakeholders that represent different stakeholder communities, (~~such as i.e. users, preparers, academics, accounting firms, accounting bodies and regulators~~ financial statement users, preparers, accounting practitioners and academia) to gather their input, views, opinions or feedback on specific projects or technical matters.

~~8-288.29~~ The UKEB undertakes outreach in the following ways:

- a) the use of standing advisory groups;
- b) convening and obtaining input from ad-hoc advisory groups such as Technical Advisory Groups (TAGs);
- c) meetings and/or interviews with stakeholders, including ~~users, preparers, academics, accounting firms, accounting bodies and regulators~~ users, preparers, auditors or regulators or representative bodies;
- d) undertaking fieldwork (refer to paragraphs 5.17-21 – 5.18-22 of this Handbook³⁴);
- e) the commissioning of external economic studies (i.e. data gathering and analysis conducted by external consultants to assess aspects of the economic impact of a standard on the UK); and
- f) liaison with the IASB and other national standard-setters.

³⁴ [Refer to Appendix 3 in this paper.]

Project closure for a UKEB Post-implementation review

~~Feedback statement~~Final report

~~8.29~~8.30 Input and feedback received on the request for information is recorded, assessed, the evidence evaluated, and then incorporated into the analysis and discussion of the technical issues.

~~8.30~~ The purpose of a Feedback Statement is to inform stakeholders how the UKEB has responded to, or has addressed, the main comments or views received from stakeholders who participated in specific outreach events or submitted comment letters on the UKEB's request for information. For the objectives and content of a Feedback Statement refer to paragraphs 5.19-5.24⁴ in this Handbook.

~~Final Report~~

8.31 When the UKEB has completed its deliberations, it presents its findings in a ~~Feedback Statement~~Final report that includes:

- a) an overview of the UKEB post-implementation review process and its timeline;
- b) background information to the international accounting standard under review;
- c) a summary of findings and next steps, including the areas for potential improvement and amendment;
- d) UKEB's tentative conclusions of the review;
- e) recommendations or steps it plans to take, if any, as a result of the review; and
- f) a summary of the sources of stakeholder comments, e.g. from individual stakeholder meetings, formal responses to ~~draft comment letters~~the Request for Information or via other outreach events.

~~Compliance with due~~Due process ~~Process Compliance~~ Statement

~~8.32~~ For each technical project, the UKEB assesses whether it has complied with the UKEB's ~~due process activities as set out in this Handbook.~~

8.32 For a UKEB post-implementation review, the Secretariat summarises the due process activities undertaken in a closing control report called "Due Process Compliance Statement". For a description and content of this Statement refer to paragraph 11.2 in Section 11 of this Handbook.

~~8.33~~ The activities undertaken for a project are set out in the ~~Compliance with due process statement. The objective, contents and requirements for a Compliance with due process statement are described in paragraphs 5.23-5.28⁴⁵ of this Handbook.~~

⁴⁵ [Refer to Appendix 3 in this paper].

9 Advisory Groups

Introduction

- 9.1 The UKEB undertakes targeted consultation by appointing its own standing and ad-hoc advisory groups with the purpose of gathering ~~specialist technical advice, and other input on its projects or other technical matters (e.g. views and UK-specific implementation issues).~~ ~~on its projects or other technical matters requiring specialist input.~~
- 9.2 Members of advisory groups comprise ~~subject matter~~ experts that:
- (a) provide advice and recommendations on specific agenda projects for example by sharing:
 - (i) knowledge and understanding of financial reporting issues and/or concerns raised by UK stakeholders; and
 - (ii) up-to-date insight into developments and market sentiment on financial reporting matters, helping develop a timely understanding of any concern areas;
 - (b) deliver best practice, practical experience, and expertise as well as potential solutions that can improve the quality of ~~information, and that enhance transparency and accountability;~~ and
 - (c) help amplify the UKEB’s views across the UK reporting community and drive the debate of contemporary issues in the ~~general corporate reporting international community.~~
- 9.3 In carrying out their work, advisory groups have regard to the UKEB’s Terms of Reference and Guiding Principles.

Commented [A77]: See Comment summary – reference #76.

Commented [A78]: See Comment summary – reference #77.

Commented [A79]: See Comment summary – reference #78.

Composition of advisory groups

Types of advisory groups

- 9.4 Advisory groups are not decision-making bodies, but advisory in nature and can be standing or ad-hoc. Their characteristics are described ~~in the table~~ below:

Commented [A80]: See Comment summary – reference #79 and 80.

Type	Standing	Ad-hoc
Duration	Advisory group with an indefinite life. Intended to be long-lived.	Intended to be short-lived for a pre-defined time or set duration and is project-based.
Description	Provides regular and focused input on a wide range of strategic and technical issues.	Provides focused input on a wide range of technical issues Provides specialist input on a specific issue or technical

Type	Standing	Ad-hoc
		<p>project or area of an international accounting standard.</p> <p>May support the implementation and/or transition to a new international accounting standard³⁶</p>
Members – stakeholder type	<p>Usually includes stakeholders from a particular industry, sector or stakeholder type (such as i.e. preparers, auditors or investors/users).</p> <p>It can also include a ‘mix’ of stakeholders with shared interests³⁷.</p>	<p>Reflects Usually includes a ‘mix’ of senior professionals from different stakeholder groups but with a specialist knowledge of the specific issue or technical area relevant to the group.</p> <p>It can also include a narrower (even single) stakeholder group when appropriate to a particular project (eg users or academics only for particular project, eg research project).</p>
Benefits	<p>Benefits are the same as for both standing and ad-hoc advisory groups.</p> <p>Enables the Board to access regular and timely advice on areas of specialist knowledge and receive a real-world view of the impact of proposals, generally on major projects.</p>	

Types of participants

- 9.5 Participants in a UKEB’s advisory group (standing or ad-hoc) may originate from the following stakeholder groups:
- (a) *Capital market participants/Users* – those with practical experience in analysing and using financial information as users of financial reporting information. *Capital market participants/Users* include “buy-side” fund managers, institutional investors and retail investors as well as participants from “sell-side” investment banks and ratings agencies.
 - (b) *Preparers* – those with considerable practical experience of financial reporting and provide knowledge and understanding of the financial reporting issues faced by IFRS reporters. Preparers have backgrounds in large or small, listed or unlisted UK-based companies applying international accounting standards.
 - (c) *Academics* – researchers with expertise and experience in the use of accounting by individuals, organisations and government. This group could include

Commented [A81]: See Comment summary – reference #81

Commented [A82]: See Comment summary – reference #82 and 83.

³⁶ This may be the case for an advisory group providing expert perspectives (for example, in the operation of rate-regulatory schemes) or providing input on the implementation of new requirements in an international accounting standard.

³⁷ For example, accounting bodies and auditors have both a close interest in the use and implementation of international accounting standards and both have insights to share on the use of standards and on any concerns arising from that use.

researchers with interests in accounting policy, governance and environmental issues, quantitative analysis, wider corporate reporting and economics.

Commented [A83]: See Comment summary – reference #84.

- (d) *Accounting firms* – those with a close interest in the use and implementation of international accounting standards. Accounting firms have insights to share on a range of different sectors’ use of international accounting standards and on any concerns arising from that use. They include large and medium-sized professional services firms in the UK.

(e) *Accounting Bodies* – those with a close interest in the use and implementation of international accounting standards and providing insights on current and emerging issues.

~~(e)~~(f) *Regulators* – those that supervise a particular industry or business activity. Regulators have insights to share on the use of international accounting standards by different sectors and on any concerns arising from that use.

Commented [A84]: See Comment summary – reference #85.

Operating procedures

Approval for the creation of an advisory group

- 9.6 The establishment of an advisory group is subject to Board approval by of a majority of Board members.

Terms of reference

- 9.7 Each advisory group has its own Terms of Reference, setting out:
- (a) the advisory group's purpose and responsibilities;
 - (b) membership rules;
 - (c) meetings and administrative arrangements;
 - (d) remuneration for members (if applicable); and
 - (e) date of approval of the Terms of Reference and process for making changes.
- 9.8 An outline of the content of the Terms of Reference applicable to each advisory group (i.e. standing or ad-hoc) is included in Appendix C of this Handbook.

Recruitment

- 9.9 Consistent with the UKEB’s guiding principles of accountability and transparency, all recruitment for advisory groups should be via a public advertisement, inviting applications. Appointments should be based on interviews with Board members and members of the Secretariat. The Board may wish to retain the option to make the occasional direct appointment, however, this would need to be in exceptional circumstances, for example where there are few experts in a particular area or no other expert is forthcoming.

Appointments and membership

- 9.10 In appointing members, the UKEB Chair seeks to ensure that the membership in the advisory groups is diverse in terms of skills experience, background, race, gender and other characteristics. ~~and accepts nominations from anyone possessing relevant expertise, experience and/or viewpoints~~
- 9.11 Members of advisory groups are appointed in their personal capacity and only in exceptional circumstances, and at the discretion of the advisory group's chair~~UKEB Chair, they and may they~~ be represented by an ~~alternates at the discretion of the Chair.~~
- 9.12 Membership to an advisory body is subject to ratification by the Board.
- 9.13 Depending on the advisory group's nature and purpose, the UKEB Chair may appoint a ~~C~~chair for the advisory group who may be either: an advisory group member, ~~an UKEB~~ Board member or a ~~UKEB Secretariat~~Secretariat member.
- 9.14 The membership of an advisory group is reviewed on a regular basis with the possibility that members may be appointable for consecutive terms. Members of advisory groups are appointed for an initial term of up to three years renewable for a second term of up to three additional years. The length of term may be shortened to allow for a staggered rotation of members to ensure continuity on the advisory group. Changes to appointments arising from such reviews are approved by the Board.

Commented [A85]: See Comment summary – reference #86.

Commented [A86]: See Comment summary – reference #88.

Commented [A87]: See Comment summary – reference #89.

Meetings

- 9.15 Administrative support to the advisory group will be provided by the ~~UKEB secretariat~~Secretariat as necessary, including organising meetings and updating members about the project's progress.
- 9.16 Technical papers for meetings of advisory groups will generally be prepared by ~~UKEB Secretariat~~Secretariat or members of the advisory group, as appropriate. All advisory groups' papers are confidential unless all members of the group agree to share them more widely or to issue papers which are presented at a public Board session.
- ~~9.169.~~17 Meetings of advisory groups may be attended by some Board members as approved by the UKEB Chair.
- ~~9.179.~~18 Meetings of advisory groups are usually closed and held in private. However, consistent with the UKEB guiding principles of accountability and transparency, the agendas and a summary of the discussions held by advisory groups (without attribution to members) are made available on the UKEB website. Members will be required to treat as confidential all information acquired in the exercise of their function as members. Advice may also sometimes be sought between meeting dates via email, telephone, video conference or other electronic means.
- ~~9.189.~~19 Where the ~~UKEB Secretariat~~Secretariat meets in private with an advisory group, it will report a summary of the output from the group to the Board at a public meeting.
- ~~9.199.~~20 Meetings of advisory groups may sometimes be opened to the public and if

Commented [A88]: See Comment summary – reference #90.

Commented [A89]: See Comment summary – reference #91

this is the case, meetings are webcast live (if possible), recorded and the papers discussed made available on the UKEB website. Representatives of other interested organisations that attend as observers may have speaking rights if the [UKEB Chair](#) deems it beneficial to the work of the group. An advisory group can also, through its [Chair](#), invite other specialists to its meetings for specific agenda items.

9.209.21 Members of advisory groups will be expected to:

- (a) review all relevant material before the meeting;
- (b) provide specialist knowledge and technical advice ~~to the Secretariat~~ in line with the purpose and responsibilities of the group's Terms of Reference. [Standing advisory groups provide advice to the Board whereas ad-hoc advisory groups provide advice the Secretariat](#);
- (c) make evidence-based and objective contributions, to the extent possible;
- (d) aim for consensus-building wherever possible and, to that end, should be prepared to be challenged on their views and open to consideration of other members' perspectives;
- (e) remain respectful and professional in all interactions with other members of the group and with the Secretariat; and
- (f) attend all meetings.

Commented [A90]: See Comment summary – reference #92

Frequency for ad hoc advisory groups

9.219.22 Once work on a project commences, the Board and/or the [UKEB Secretariat](#) may consult advisory groups when it is beneficial to the project to do so.

Effectiveness review

9.229.23 The [UKEB Board](#) will evaluate the purpose, composition, and effectiveness of each advisory ~~committee group~~ every three years (or more frequently, if circumstances warrant), to assess whether each group is continuing to serve the function for which it was established. The [UKEB Board](#) revises the Terms of Reference applicable to each advisory group as necessary.

Commented [A91]: See Comment summary – reference #93

10 Influencing the work of the IFRS Interpretations Committee

Introduction

10.1 The IFRS Interpretations Committee (Interpretations Committee) is the IASB's interpretative body that "assists the [IASB] Board in improving financial reporting

through timely assessment, discussion and resolution of financial reporting issues identified to it within the IFRS framework³⁸. It does so by, amongst other things:

- (a) recommending to the IASB to add a standard-setting project to its work plan when certain criteria in the IFRS Due Process Handbook³⁹ are met. This is done in the form of a proposal for a narrow-scope amendment or an annual improvement, i.e. amendments that meet the IASB's criteria for annual improvements or for narrow-scope amendments;⁴⁰
- (b) developing a proposal for a Draft IFRIC Interpretation (that is later ratified by the IASB); and
- (c) recommending that the IASB does not add a standard-setting project to its work plan, instead publishing an agenda decision⁴¹ to address application questions.

Supporting the work of the Interpretations Committee

10.2 The UKEB supports the IASB's and the Interpretations Committee's work by ensuring that UK views are considered during the development and improvement of international accounting standards (including IFRIC Interpretations). This is achieved by:

- (a) monitoring the work of the Interpretations Committee;
- (b) influencing proposals for annual improvements, narrow-scope amendments and/or Draft IFRIC Interpretations;
- (c) considering whether to contribute comment letters on tentative agenda decisions issued by the Interpretations Committee; and
- (d) informing the Interpretations Committee and/or the IASB of significant issues raised or identified by UK stakeholders for potential inclusion in their work programme.

(a) Monitoring Interpretations Committee work

10.3 The ~~UKEB Secretariat~~Secretariat monitors projects developed by (or with the assistance of) the Interpretations Committee and reports them to the Board on a regular

³⁸ Refer to paragraph 1.3 in the [IASB and IFRS Interpretations Committee Due Process Handbook](#), IFRS Foundation, (August 2020). The Conceptual Framework describes the objective of and concepts for general purpose financial reporting. It is a practical tool that helps the Board to develop requirements in IFRS Standards based on consistent concepts (refer to paragraph 4.20 in the same Handbook).

³⁹ Refer to paragraph 5.16 in the [IASB and IFRS Interpretations Committee Due Process Handbook](#).

⁴⁰ For 'Annual improvements' refer to the criteria in paragraphs 6.10–6.14 in the [IASB and IFRS Interpretations Committee Due Process Handbook](#). For narrow-scope' amendments refer to the criteria in paragraph 5.16 of the same Handbook.

⁴¹ Agenda decisions explain why a standard-setting project has not been added to the IASB's work plan to address a question submitted and, in many cases, include explanatory material that explains how the applicable principles and requirements in IFRS Standards apply to the transaction or fact pattern described in the agenda decision. Refer to paragraphs 8.3–8.7 in the [IASB and IFRS Interpretations Committee Due Process Handbook](#).

basis (i.e. proposals for amendments, IFRIC Interpretations or tentative agenda decisions).

10.4 The ~~UKEB Secretariat~~ Secretariat may consider:

- (a) undertaking outreach activities ahead of the Interpretations Committee issuing proposals before a due process document is published; and
- (b) delivering an update on matters discussed at Interpretations Committee meetings at Board meetings, with the objective of raising awareness at UKEB Board meetings on the issues being discussed; whether the Board would like to respond and possible interactions with the UKEB's other activities and projects.

(b) Influencing proposals for amendments or for Draft IFRIC Interpretations

10.5 The UKEB follows the requirements ~~of paragraph 5.8~~ in Section 5⁴² of this Handbook for influencing proposals for annual improvements, narrow-scope amendments and/or Draft IFRIC Interpretations.

(c) Considering whether to respond to a tentative agenda decision

10.6 The UKEB expects to respond to a limited number of tentative agenda decisions published by the Interpretations Committee. ~~This may be, for some factors to consider when deciding whether to respond may be:~~

- (a) ~~The degree of impact of the IASB tentative agenda decision on UK companies (for example, in cases where the tentative agenda decision is expected to affect a significant number of UK companies attract significant interest from UK stakeholders due to the issues included in the tentative agenda decision being controversial in the UK)~~
- (b) ~~Disagreement with the analysis performed by the Interpretations Committee; or~~
- ~~(a)(c)~~ Usefulness of the explanations and clarifications included in the tentative agenda decision.

10.7 ~~The Board might also choose to respond to a tentative agenda decision even if it agrees with the analysis performed by the Interpretations Committee. For example, this may apply in cases where others have expressed disagreement with the analysis in the tentative agenda decision.~~

~~10.6~~10.8 ~~When the Board reviews the update on the Interpretations Committee's activities it can then decide~~ whether to respond to a tentative agenda decision.

~~10.7~~10.9 ~~If an issue discussed by the Interpretations Committee arises outside the usual Board meeting cycle, the UKEB Chair can approve initiation of work on the tentative agenda decision.~~

Commented [A92]: See Comment summary – reference #94.

Commented [A93]: See Comment summary – reference #95.

⁴² ~~[We have reproduced (revised) paragraph 5.8 of the Handbook in Appendix 1 of this paper].~~

Project milestones for tentative agenda decisions

~~10.8~~10.10 The UKEB will broadly follow the milestones in paragraph 5.8 in Section 5.4⁴³ of this Handbook to influence tentative agenda decisions issued by the ~~IFRS~~ Interpretations Committee that ~~the UKEB~~ considers ~~to~~ have relevance for the UK. However, these milestones will only be followed to the extent they are appropriate or possible. For example, given that the comment period for a tentative agenda decision is usually shorter than for other IASB's due process documents, it may be more appropriate to consult with a representative group of stakeholders and/or with members of the UKEB's standing and/or ad-hoc advisory groups, rather than making a Draft Comment Letter available for comment on the UKEB website.

Commented [A94]: See Comment summary – reference #96.

~~10.9~~10.11 The activities undertaken to achieve these milestones should be proportionate to the technical issue(s) being addressed and will depend on its significance for UK stakeholders and on its complexity. The Project Initiation Plan will outline the approach to the technical issue(s) being addressed and describe how the approach taken meets due process requirements.

~~10.10~~10.12 After considering comments from UK stakeholders on tentative agenda decisions, the UKEB may decide to recommend that the Interpretations Committee:

- (a) confirms the Interpretations Committee's decision to publish an agenda decision;
- (b) revises (or abandons) the Interpretations Committee's tentative agenda decision; or
- (c) refers the matter to the IASB to consider adding a standard-setting project to the IASB's work plan.

Commented [A95]: See Comment summary – reference #97.

(d) Informing the Interpretations Committee of significant issues raised by UK stakeholders

~~10.11~~10.13 The UKEB may decide to inform the ~~IFRS~~ Interpretations Committee of issues raised or identified by UK stakeholders as potential agenda items (i.e. for potential inclusion on the IASB's and/or on the ~~IFRS~~ Interpretations Committee's work programme). In doing so, the UKEB follows the procedures for the 'Identification of Matters' in the IFRS Due Process Handbook⁴⁴.

⁴³ [We have reproduced (revised) paragraph 5.8 of the Handbook in Appendix 1 of this paper].

⁴⁴ Refer to paragraphs 5.15 to 5.16 in the [IASB and IFRS Interpretations Committee Due Process Handbook](#).

II Due Process Compliance Statement

Introduction and objective

- 11.1 For each project, the ~~UKEB Secretariat~~ Secretariat assesses whether it has complied with the UKEB's ~~mandatory (and non-mandatory)~~ due process activities as set out in Section 4 (mandatory activities), Section 5 (Influencing Process), Section 6 (Endorsement Process), [Section 7 \(Thought leadership and research programme⁴⁵\)](#) and Section 8 (i.e. the sub-section on "UKEB Post-implementation review") of this Handbook.
- 11.2 The ~~UKEB Secretariat~~ Secretariat summarises the due process activities undertaken in a closing control report called "Due Process Compliance Statement". This report fulfils the following objectives:
- (a) provides a record of the activities undertaken by the ~~UKEB Secretariat~~ Secretariat to comply with the UKEB's due process activities;
 - (b) provides a basis for holding the ~~UKEB Secretariat~~ Secretariat accountable to the Board for the due process procedures that it follows in practice; and
 - (c) informs the Board about the work undertaken compared with that agreed in the Project Initiation Plan (PIP). The Due Process Compliance Statement retrospectively validates that the process undertaken complied with the PIP (or not). If discrepancies are identified this report provides an explanation as to why, and how the activities still meet due process requirements.

Content

- 11.3 The Due Process Compliance Statement includes the following sections:
- (a) Project details:
 - (i) If influencing an IASB's due process document: title, date of publication and comment letter deadline;
 - (ii) If a UKEB's thought leadership/research project: project title, date of publication, comment letter deadline (if applicable); or
 - (iii) If endorsing an IASB standard or amendment: title, date of publication and the IASB's effective date.
 - (b) A description of due process steps undertaken covering the following areas:
 - (i) Project preparation (i.e. the [Project Initiation Plan \(PIP\) and/or a revised version of the PIP](#)) and desk-based research);

Commented [A96]: See Comment summary – reference #98.

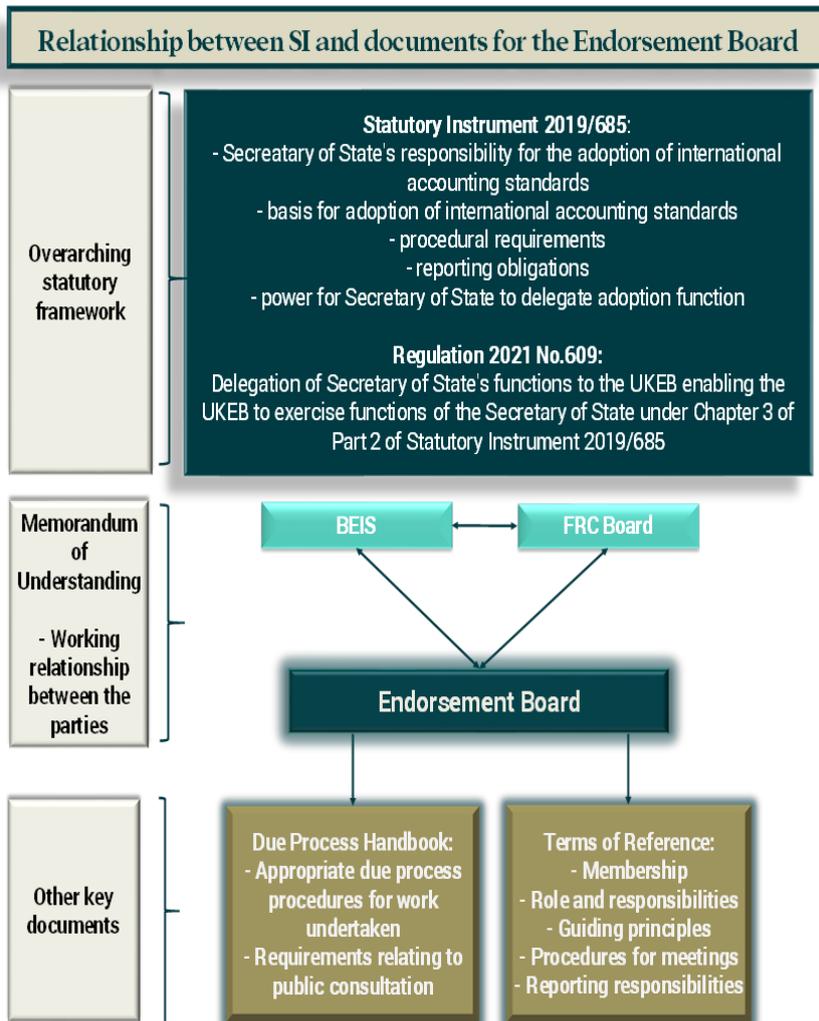
⁴⁵ [A "Due Process Compliance Statement" is only required when issuing a Discussion Paper \(refer to Section 7 of this Handbook\).](#)

- (ii) Communications (e.g. public meetings, documents posted on [the UKEB website](#));
 - (iii) Outreach activities (e.g. advisory groups, fieldwork undertaken);
 - (iv) Preparation of documents for public comment (e.g. draft comment letter for influencing activities);
 - (v) Project finalisation and project closure (e.g. final comment letter, feedback statement for influencing activities);
- (c) Metrics or evidence to demonstrate that the process was undertaken as agreed in the Project Initiation Plan (e.g. number of meetings held);
- (d) An explanation of why the ~~UKEB Secretariat~~[Secretariat](#) decided not to undertake a ~~non-mandatory~~ due process step for a given project, if relevant (i.e. why an outreach activity specified in the PIP was not undertaken); and
- (e) A conclusion as to whether, in the ~~UKEB's~~[Secretariat's](#) opinion, applicable due process steps have been complied with.
- 11.4 The ~~UKEB Board~~ discusses and provides comments on a (draft) Due Process Compliance Statement and approves the final version of this Statement at a public Board meeting.
- 11.5 A Due Process Compliance Statement is published on the UKEB's website, usually at the same time as the Feedback Statement⁴⁶.

Commented [A97]: See Comment summary – reference #99.

⁴⁶ A Feedback Statement is a mandatory due process activity as set out in Section 5 (Influencing Process), [and in Section 6 \(Endorsement Process\)](#). ~~In and~~ Section 7 (Thought leadership and research programme) [it is a mandatory due process activity only for a discussion paper](#).

Appendix A—Relationship between Statutory Instrument (SI) and other governance documents for the Endorsement Board



Appendix B—IASB’s and IFRS Interpretations Committee’s consultation documents

This Appendix has been included for information only.

Consultation document	Description	Comment period
<i>Discussion Paper (DP) / Research Paper</i>	<p>One of the main outputs of the IASB’s Research programme is a Discussion Paper or a Research Paper. These documents:</p> <ul style="list-style-type: none"> a) are designed to elicit comments from interested parties that can help the IASB decide whether to add a standard-setting project to their work plan. b) include a comprehensive overview of the issues, possible approaches to addressing the issues, the preliminary views of the IASB and an Invitation to Comment (ITC) that precedes or accompanies the Discussion Paper or Research Paper. <p>A Discussion Paper commonly outlines a wide range of possible accounting policies on a particular topic and conveys any significant differences in IASB members’ views. It is typically used to refine the number of options being considered as the solution to an issue and is commonly issued for IASB major projects before an Exposure Draft (but this is not a requirement). The matters presented will have been discussed in public meetings of the IASB.</p> <p>A Research Paper can be prepared by IASB technical staff or by other accounting standard setters at the request of the IASB. It includes a clear statement of the extent of the IASB’s involvement in the development or endorsement of that research paper. In some cases, the IASB will not have discussed the research paper in a public meeting and will not, therefore, have developed any views on the matters set out in the paper.</p>	Generally, the IASB gives a 120-day comment period.
<i>Request for information (RFI) / IASB Agenda Consultation</i>	Requests for Information are formal requests by the IASB for information or feedback on a matter related to technical projects or broader consultations. This includes seeking comment on the IASB’s technical work plan every five	Generally, the IASB gives a 120-day comment period for an RFI on the technical work

Consultation document	Description	Comment period
	years, post-implementation reviews, or help in assessing the practical implications of a potential financial reporting requirement.	plan. Other RFI's generally allow a minimum of 60 days.
Exposure Draft (ED)	An Exposure Draft is a mandatory step in the IASB due process before a new IFRS Standard can be. An Exposure Draft includes a specific proposal, a basis for conclusions that explains the rationale for the proposal and, if relevant, alternative views. It is developed at public meetings and includes an invitation to comment describing the issues that the IASB has identified as being of particular interest.	Normally, the IASB gives a 120-day comment period. For issues that are narrow in scope and urgent the period can be reduced to at least 30 days. Only in exceptional circumstances is less than 30 days permitted.
Annual Improvements (ED)	Annual Improvements contain a group of proposed amendments to IFRS Standards that are sufficiently minor or narrow in scope that can be packed together and exposed in a single document, even if the amendments are unrelated. Limited to changes that clarify the wording in the standards, or correct relatively minor unintended consequences, oversights or conflicts between existing requirements. Annual improvements are normally, but not always, issued on an annual basis. The IFRS Interpretations Committee can assist the IASB in developing these amendments.	Normally, the IASB gives a minimum of 90 days comment period.
Narrow Scope Amendment (ED)	Narrow Scope Amendments are proposed amendments to an existing Standard. They address concerns about a specific aspect of a standard without causing major or significant changes in practice. They are issued and exposed for public comment (separately from annual improvements) when the IASB determines that the narrow-scope amendment merits separate consultation and outreach. The IFRS Interpretations Committee can assist the IASB in developing this type of amendments.	A minimum period of 120 days for comments on exposure drafts but if the matter is narrow in scope and urgent the IASB may set a comment period of less than 120 days but no less than 30 days
Draft IFRIC Interpretation (DI)	A Draft IFRIC Interpretation is a mandatory step before issuing an IFRIC Interpretation. It is a draft of a proposed Interpretation of a Standard	The minimum comment period is normally 90 days.

Consultation document	Description	Comment period
	and is the equivalent of an ED for a Standard. It is developed in public meetings of the IFRS Interpretations Committee and is ratified by the IASB (Board). It sets out a specific proposal in the form of a proposed Interpretation. It includes an invitation to comment and a basis for conclusions which explains the rationale for the specific proposal.	If the matter is narrow in scope and urgent the comment period can be reduced, down to a minimum of 30 days.
<i>Tentative Agenda Decisions (TAD)</i>	Tentative Agenda Decisions are issued by the IFRS Interpretations Committee. These decisions explain why a standard-setting project should not be added to the IASB's technical work plan to address a submitted question and, in many cases, includes examples and other explanatory material that provides new or clarifying information. After considering the comments, the IFRS Interpretations Committee will confirm its decision and publish an Agenda Decision (subject to the IASB not objecting to this decisions) or decide that a standard-setting project should be added to the IASB work plan.	The IFRS IC requests comments on TADs within 60 days.
<i>Post-implementation reviews (PIR)</i>	The IASB conducts a post-implementation review of each new IFRS Standard or major amendment. A post-implementation review normally begins after the new requirements have been applied internationally for two years (generally about 30–36 months after the effective commencement date). The PIR is accompanied by a Request for Information (RFI) which sets out the initial identification and assessment of the matters to be examined.	The IASB gives a 120-day comment period.

Appendix C – [Draft] Terms of Reference outline for advisory groups

Terms of Reference

1 Name, purpose and responsibilities

- 1.1 Name [of advisory group], purpose and responsibilities to the Board and/or to the ~~UKEB secretariat~~ Secretariat.
- 1.2 Guiding principles and compliance with legislative framework.

2 Membership

- 2.1 Composition and ~~the need to perform an annual review of group membership and activities~~ membership length. ~~The membership of an advisory group is reviewed on a regular basis with the possibility that members may be appointable for consecutive terms. Members of advisory groups are appointed for an initial term of up to three years renewable for a second term of up to three additional years. The length of term may be shortened to allow for a staggered rotation of members to ensure continuity on the advisory group. Changes to appointments arising from such reviews are approved by the Board.~~
- 2.2 Size: minimum and maximum number of members.
- ~~2.3 Membership terms: Recruitment and appointment process how often the group membership is reviewed, the length of each term and whether terms can be renewed.~~
- ~~2.4~~ 2.3 What the Board and/or the ~~UKEB Secretariat~~ Secretariat expect from the members of the advisory group and consequences of failing to meet the expectations set out in the terms of reference (for example dismissal after non-attendance at a certain number of meetings, etc).

3 Meetings and administrative arrangements

- 3.1 Process for holding meetings:
 - (a) Indication of whether meetings are:
 - (i) closed and/or open to the public; if meetings are public, an indication of whether observers can attend meetings and/or if they have speaking rights;
 - (ii) held virtually and/or physically;
 - (b) Requirements for attendance and an indication of whether alternates are permitted;
 - (c) Location, duration (i.e. number of hours), and frequency (i.e. number of meetings per month and/or per year); and

(d) Indication of who will act as the ~~Chair~~-chair of the advisory group;

3.2 Notice of meetings and agendas: State obligation to:

- (a) make available meeting agendas and papers for the members of the advisory groups before the meeting; and
- (b) publish the agendas and a summary of the output from the group (without attribution to members) on the UKEB website.

3.3 If meetings are public, also state obligation to broadcast (and/or record) meetings and to publish agenda papers on the UKEB website.

4 Remuneration for members

- 4.1 Indication of whether members are (or not) remunerated.
- 4.2 Indication of whether members are reimbursed for reasonable travel and other costs incurred in participating in the group's activities.

5 Approval of Terms of Reference and changes

- 5.1 Date of approval of the Terms of Reference and process for making changes to these terms.

(Draft) Due Process Handbook – comments summary and responses

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
Section 1: Introduction					
1	Introduction	Section 1 – general comments	Pauline Wallace	Check all references to the UKEB's Terms of Reference (ToR) and determine if there is any reason why we want to take issues further in the DPH	References checked.
			Katherine Coates	Mention ability to set up Committees (i.e. Transition Advisory Groups).	Section 9 of this Handbook includes specific due process requirements for advisory groups.
			Pauline Wallace	We need to be clear about the ToR of the advisory groups.	
			Katherine Coates	Mention how we will deal with IFRIC activities	Section 10 of this Handbook includes specific due process requirements for influencing the Interpretations Committee's activities.
			Katherine Cearns	The project on IFRS 17 <i>Insurance Contracts</i> is running in parallel so make sure that we prove satisfaction with due process (endorsement) steps.	Yes – We have used IFRS 17 as reference to develop some of the requirements in this Handbook.
2	Introduction	1.1	Sandra Thompson	First sentence in paragraph 1.1 reflects only endorsement. However, our role is wider as paragraph 1.1 goes on to hint, but it sounds like the	Separate bullets have been added in paragraph 1.1 to clarify that influencing is separate from endorsement and to indicate that the

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
				2nd sentence is a subset of the first. Perhaps make two separate bullets so it is clear influencing is in addition not a sub-set of endorsement	Handbook also includes due processes for post-implementation reviews, thought leadership and research programme activities and for setting up advisory groups.
Section 2: Statutory functions of the UKEB					
3	Statutory functions	2.1	Katherine Coates	Suggests including a couple of responsibilities: <ul style="list-style-type: none"> Referencing users and capital markets Reference the reporting obligation to BEIS and the FRC 	We have added paragraphs 2.2–2.3 to address the comments made.
Section 3: Terms of Reference and Guiding Principles					
4	Terms of Reference	3.1(b)	Katherine Coates	Public consultation should be flexible (i.e. as appropriate).	Footnote 7 has been added to 3.1(b) as follows: “As set out in Sections 5–8 and 10 in the Handbook, public consultation process will be flexible and proportionate to the issue being addressed. For example, consultation with only a representative group of stakeholders for an urgent proposed narrow scope amendment is likely to be appropriate and lead to sufficient evidence to form the basis for adoption”.
			Liz Murrall	We need flexibility for urgent issues and narrow scope amendments. For narrow scope amendments there may not be time for public consultation.	

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
5	Terms of Reference	3.1(d)	Sandra Thompson	In paragraph 3.1(d) (i.e. Deciding on the work plan for research activities...), I think we do a bit more than just deciding on the workplan.	In paragraph 3.1(d) we have added: the phrase: "Deciding on the work for research activities <u>and developing those activities...</u> ".
6	Guiding principles	3.3(b) – Independence	Liz Murrall	Ensuring that the UKEB in the UK's long term public good is not just by being independent according to the ToR. Should be "acts in the UK's long term public good and is independent from other organisations'	Paragraph 3.3 amended to be consistent with paragraph 4.3 of the ToR.
Section 4: Mandatory Due Process Activities					
7	Mandatory Due Process Activities	Section 4 – General comment	Sandra Thompson	Do we want to include any mandatory DP steps as set by us? – eg Project Initiation Plan (PIP), stakeholder engagement etc, whilst retaining enough flexibility to tailor to the needs of a particular project (which for some projects might be very little)?	Done. Each section of the Handbook sets out mandatory milestones and allows flexibility (i.e. a proportionate approach) when undertaking different activities to reach those milestones.
				Is there a grouping we can do – eg endorsement, standard vs IFRIC/minor amendment, urgent vs normal IASB timeline?	The Handbook already groups different projects by type (i.e. "influencing", "endorsement", "research"), so we do not think that any further grouping is needed.
8	Quorum of attendance and decision-making	4.1	Phil Aspin	Is it clear in the ToR that the Chair is a member?	We have checked the ToR. There is no conflict with the ToR even though paragraph 5.1 of the ToR does not explicitly specify that the UKEB Chair is an appointed member.

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
9	Quorum of attendance and decision-making	4.2	Phil Aspin	I suggest clarifying that the Chair is a member.	Paragraphs 4.1 and 4.2 have been amended to mention that the Chair is also an appointed member.
10	Transparency of meetings and stakeholder observers	4.4	Sandra Thompson	The UKEB may also hold <u>informal</u> meetings with IASB members and staff	Paragraph 5.18 (e) has been amended to indicate that part of the UKEB's outreach activities also involve arranging informal meetings with IASB members and/or staff and their participation in UK outreach events.
11	Transparency of meetings and stakeholder observers	4.6	Mike Ashley	Some education sessions have been private and quite technical. Also, the discussion of the work plan will not necessarily be approved at a private meeting	Paragraph 4.6 has been amended to include examples of discussions that may be held in private.
12	Transparency of meetings and stakeholder observers	4.7	Liz Murrall	There is an inconsistency with paragraph 7.2 of the ToR (ie. invited advisors may be invited by the Chair to speak).	The wording in paragraph 4.7 has been amended to be consistent with paragraph 7.2 of the ToR.
13	Transparency of meetings and stakeholder observers	4.8	Sandra Thompson	Instead of saying "whenever possible meetings are webcast live" it should say "whenever practicable" because it might be possible but at excessive cost.	The wording in paragraph 4.8 has been amended following the suggestion made.
14	Transparency of meetings and	4.8	Sandra Thompson	Similar point in par 4.8 as private sessions are not recorded.	Paragraph 4.8 has been amended to indicate that only public meetings are recorded.

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
	stakeholder observers				
15	Minutes from Board meetings / Keeping stakeholders informed	4.9–4.11 and 4.19(b)(ii)	Amir Amel-Zadeh	Pars 4.10-4.11 and 4.19(b)(ii) refer to papers being made available on the UKEB website. What is the difference between online summaries, tentative decisions and minutes? Maybe put it under one heading and that it should be made online.	<p>Paragraphs 4.9–4.11 and 4.19(b)(ii) have been revised to refer to ‘minutes’ and to delete any references to ‘online summaries’.</p> <p>We have added a definition of ‘minutes’ in paragraph 4.9 (i.e. a summary of the main tentative decisions reached at a UKEB meeting and/or main areas of discussion by the Board).</p> <p>The sub-heading “summary of main decisions reached” above paragraph 4.11 has been deleted to avoid confusion</p> <p>Paragraph 4.19(b)(ii) has been amended to make it consistent with paragraphs 4.10-4.11.</p>
			Pauline Wallace	Agree. Summaries are equivalent to minutes.	
			Sandra Thompson	Are these online summaries of main decisions the same as the minutes referred to in para 4.10? If so, make this clear.	
16	Minutes from Board Meetings	4.10	Amir Amel-Zadeh	Determine what should be done with summaries from private sessions. Also clarify what people can find on the website	The wording in paragraph 4.10 has been amended. Paragraph 4.11 states that minutes for each Board meeting are made available on the website.
17	Minutes from Board Meetings	4.11	Liz Murrall	Paragraph 4.11 is inconsistent with paragraph 9.3 of the Terms of Reference – it refers that documents	The wording in paragraph 4.11 has been revised to make it consistent with paragraph 9.3 of the ToR.

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
				would usually be made available and the Handbook says they will be.	
18	UKEB Secretariat papers	4.15	Liz Murrall	In paragraph 4.15 we need to allow some flexibility as things may be delayed.	We have amended paragraph 4.15 to indicate that Secretariat papers for each public meeting are <u>usually</u> made available on the UKEB website no later than 5 working days which is consistent with paragraph 8.3 of the ToR.
19	UKEB Secretariat papers	4.16	Sandra Thompson	What about papers for the private session? (these are not made available).	Paragraph 4.16 has been amended to clarify that: <ul style="list-style-type: none"> • certain Secretariat papers used for discussion at public meetings should not be made publicly available • Secretariat papers used for discussion at private UKEB meetings are not made publicly available.
20	Keeping stakeholders informed	4.19(e)	Liz Murrall	A lot of standard setters have provisions that some comment letters may not be made public.	Paragraph 4.19(e) has been amended to indicate that the UKEB publishes on its website the formal comment letters submitted to the UKEB where the respondent has not requested confidentiality.
			Katherine Cearns	This point is tricky, we may agree with some stakeholders that some parts of responses be made private.	
			Sandra Thompson	I might expect that a comment letter submitter could ask for privacy in which case I assume we would not put the letter on the website – else	

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
				we risk some constituents not being prepared to write in.	
Section 5: Influencing process					
21	Influencing process	Section 5 – Question about influencing projects from the Interpretations Committee	Katherine Coates	Mention how we will deal with implementation review projects	Section 10 of this Handbook includes specific due process requirements for influencing the Interpretations Committee’s activities.
			Giles Mullins	There will be some issues that are UK centric so how are we going to do about it?	
			Pauline Wallace	We need to discuss how we are focusing on IFRIC	
22	Influencing process	Section 5 – Question about research activities	Mike Ashley	Influencing should come a lot earlier or before the IASB’s comes up with a proposal but the DPH does not mention about research projects.	Section 7 of this Handbook includes specific due process requirements for thought leadership and the UKEB’s research programme.
23	Influencing process	Section 5 – General comment	Liz Murrall	Focus seems to be in due process more than in influencing activities.	We have included a new sub-section: “Consultation with stakeholders” (refer to new paragraphs 4.21–4.23) to address the comments from Board members.
			Sandra Thompson	This section on “influencing processes” seems to cover only a sub-set of influencing (ie responding to IASB publications) – should it be broader eg covering thought leadership, participating in international fora, informal discussions with stakeholders – or at least cross-refer to the influencing	

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
				strategy and be clear the DPH covers only a sub-set (though I seem to recall that is not what the other NSS do in their DPHs). Include a broader picture of how influencing activities would look like.	
			Pauline Wallace	Influencing is a statutory function – need to clarify what our intentions are in this respect (ie. engagement with our UK stakeholders and NSS; this should be the next piece captured in the DPH – how we plan to fulfil our statutory functions. We need due process steps in place.	
			Katherine Coates	Processes will be derived in response to IASB’s papers/proposals, but we should also refer to the broader influencing function.)	
			Mike Ashley	Influencing Section does not need to be too prescriptive (as opposed to the endorsement section. This is a due process handbook we should focus on processes not strategy. Less is more.	
24	Influencing process	Section 5 – General comment	Mike Ashley	We need to be clear about what we are always going to do and what we might do due to the nature or the circumstances. So, for endorsement	Each section of the Handbook sets out mandatory milestones and allows flexibility (i.e. a proportionate

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
				decisions – more prescription about what we do. For influencing decisions we need to do even less.	approach) when undertaking different activities to reach those milestones.
25	Setting-up a technical work plan	5.3	Mike Wells	Perhaps change ‘problems’ to ‘issues’ (less negative)?	Paragraph 5.3 has been amended following the suggestion made.
26	Setting-up a technical work plan	5.4	Mike Ashley	The discussion of the work plan will not necessarily be approved at a private meeting	Added paragraph 5.5 to say Board reviews and approves at private meeting for publication on the UKEB website.
			Giles Mullins	Stakeholders should have an opportunity to influence the UKEB workplan. DPH should clarify what we should do about this.	
			Pauline Wallace	We need to have the workplan discussion at a public meeting and that we need to be more proactive and think about whether we need to consult about its development.	
27	Prioritising technical projects	5.6(a)	Sandra Thompson	What about stakeholders other than users and reporters (eg regulators, accounting firms, anyone else??)	Paragraph 5.6(a) has been amended to include users, preparers, academics, accounting firms, accounting bodies and regulators). This is, in accordance with the groups of stakeholders mentioned in Chapter 9 “Advisory Groups”.
28	Prioritising technical projects	5.6(b)	Sandra Thompson	Does ‘widespread impact’ need rewording – may affect only one sector (eg insurance, rate-regulated) but may have a big impact on those	Paragraph 5.6(b) has been amended as follows:

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
				affected, or may have a smaller impact on more UK entities, so to me it's a combination of numbers of entities affected and how big the effects are.	(b) the issue has or is expected to have a minor effect on a large number of UK entities or a significant effect on a small number of UK entities using UK-adopted international accounting standards
29	Overview of the influencing process	5.8	Pauline Wallace	Need to consider what would be absolutely necessary for each project. And we need to check what stakeholders think. Secretariat should think about how we can be proportionate in our response to endorsement (take proportionate approach in endorsement section. Clarify the nature of the project (i.e. IFRIC agenda items and NSA), need more stratification to make this clearer	Paragraph 5.8 lists the milestones that are mandatory for influencing projects. Paragraph 5.9 has been added to allow flexibility as well as the use of a "proportionate approach" when carrying out influencing activities. Paragraph 5.10 specifies when due process steps are not mandatory.
			Sandra Thompson	We should allow flexibility as the milestones may apply to major projects only. Where are we on IFRICs?. We have not decided what we would do with IFRIC. Are we expected to do all these things.? We need to narrow this down. Are these activities mandatory? Is this always the order? Eg desk-based research and outreach may proceed	

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
				concurrently. And will then be the expected milestones for 'most' projects as IASB does a lot of smaller amendments - plus IFRIC's work - where we may choose to do less (indeed for some projects after an initial high-level assessment we may decide to do none of them if the issue has no or limited impact in the UK. Perhaps change to "project milestones may include...."	
30	Project Initiation Plan	5.12	Sandra Thompson	Paragraph 5.12 appears to be limited to only narrow scope amendments	Paragraph 5.12 has been amended to indicate that the objective of the Project Initiation Plan (PIP) is to assess the impact of the proposals being addressed as part of the project.
31	Project Initiation Plan	5.14	Sandra Thompson	Is the word 'project' missing?	Paragraph 5.14 has been amended.
32	Desk-based research	5.15	Sandra Thompson	Drafting clarify what "NSS" means Beyond "desk-based research" we should also partner with NSS. We need to take the leadership and not be responsive only.	Paragraph 5.15 has been amended to clarify what NSS means (i.e. national standard-setters).
33	Desk-based research	5.15	Sandra Thompson	There is nothing about NSS and influencing them or with them (other than looking at past papers of NSS as part of the desk-based research)	Section 7 in the Handbook includes specific due process requirements for how the UKEB exercises its influence on national standard-setters through

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
					its thought leadership activities and the UKEB's research programme.
34	Outreach activities	5.18	Sandra Thompson	I suggest adding 'might include' so does not sound like we always do all of this	Paragraph 5.18 has been amended following the suggestion made.
35	Outreach activities	5.18(b)	Liz Murrall	The Statutory Instrument uses the term 'users' (and not the term 'investors').	Paragraph 5.18(b) has been amended following the suggestion made.
36	Outreach activities	5.19	Liz Murrall	Do we want to include "d) early awareness of issues arising from UK stakeholders" as a benefit? We should not rely on the IASB to do this, so should we remove it?	Agree, we have removed "early awareness of issues arising from UK stakeholders" from paragraph 5.19.
37	Project closure– Feedback statements	5.26	Sandra Thompson	Suggests softening the wording so does not sound like we will always do a feedback statement	A Feedback Statement is a mandatory milestone in accordance with paragraph 5.9.
38	Project closure– Feedback statements	5.28	Liz Murrall	The Feedback Statement should also demonstrate UKEB's adherence to the thought leadership principle.	We observe that the thought leadership principle is different from the other three principles in that it refers to a set of activities that the UKEB carries out (rather than an overarching set of activities). Therefore, it is not appropriate for it to be added.
39	Project closure–	5.30	Mike Ashley	Do we need approval from the Board for the Feedback Statement? or should the Board just review it?	Paragraph 5.30 has been amended to indicate that the feedback statement

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
	Feedback statements				will be reviewed <u>and</u> approved by the Board.
40	Project closure– Feedback statements	5.31	Sandra Thompson	Do we want to commit to a month? Is that long enough eg if there is no meeting in the next month (August)	Paragraph 5.31 has been amended to indicate that: “A Feedback Statement is published on the UKEB’s website, <u>usually</u> at the same time the final comment letter to the IASB is submitted”.
			Mike Ashley/Katherine Cearns/Pauline Wallace	Feedback statement should be developed at the same time as final comment letter is approved. This would be helpful to make sure everything is covered.	
41	Project closure– Feedback statements	5.32	Sandra Thompson	Do we do a Compliance with Due Process Statement if we decide not to respond to something?	If the Board decides not to respond to something, that will be earlier in the project, e.g. not approving a PIP so a compliance statement would not be necessary.
				Should the Compliance with Due Process Statement reflect compliance with the Statutory Instrument?	Yes, and also with the work agreed on the PIP as stated in paragraph 11.2(c) of Chapter 11 (i.e. “ <i>The Compliance with Due Process Statement informs the Board about the work undertaken compared with that agreed in the Project Initiation Plan (PIP). The Due Process Compliance Statement retrospectively validates that the process undertaken complied with the PIP.</i> ”).
Section 6: Endorsement process					
42	UK statutory requirements	6.7	Mike Ashley /Liz Murrall	Difficult reading Regulation 6 in this paragraph, as this is about partial	Paragraph 6.7 has been amended to clarify the content of Regulation 6.

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
				adoption. Recognises it is difficult to paraphrase. Clarify the scope for undertakings eligible.	
43	Overview of UKEB endorsement and adoption process	6.9	Paul Lee	Need to be explicit that the endorsement process is intended to deliver the objectives below, say this explicitly	Amended paragraph 6.9 to refer to fulfilling our statutory responsibilities.
44	Overview of UKEB endorsement and adoption process	6.10–6.12	Sandra Thompson	6.11 says in a proportionate manner. Could we give ourselves more flexibility?	We have added new paragraphs 6.11–6.12. Paragraph 6.11 allows flexibility as well as the use of a “proportionate approach” when carrying out endorsement activities. Paragraph 6.12 specifies when milestones are not mandatory (i.e. for ‘urgent’ and ‘minor’ amendments).
45	Overview of UKEB endorsement and adoption process	6.12	Michael Wells	Suggests a stronger word in the last sentence of this paragraph. “Consultation with a representative group of stakeholders <u>may be</u> appropriate” (more than “may well be appropriate”).	Paragraph 6.12 has been amended following the suggestion made.
46	Project Initiation Plan	6.16	Katherine Coates	We might want to amend the PIP as we go through the process.	New paragraph 6.16 has been added to indicate that the PIP is discussed, revised and approved at a public Board meeting.
47	Desk-based research	6.17	Amir Amel-Zadeh	We may want to be a bit more explicit that desk-based research	Paragraph 6.17 has been amended following the suggestion made.

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
				also requires the review of academic evidence	
48	DECA	6.19(iii)	Michael Wells	An adverse effect is not a bad thing to adopt a standard because it is more important that it provides a sound basis for capital allocation and economic decision making. Factor in element of long-term public good. Explain what we mean by 'long term public good'.	This is explained in paragraph 6.19(d).
49	DECA	6.20	Michael Wells	Consultation with a representative group of stakeholders <u>may be</u> appropriate (more than "it is likely to be appropriate").	Paragraph 6.20 has been amended following the suggestion made.
50	Outreach activities	6.23	Sandra Thompson	"Obtaining as many responses" is not an objective of a NSA. The objective should be to get enough responses.	Paragraph 6.23 has been amended following the suggestion made.
51	Voting and written vote	General comment	Pauline Wallace	Unclear as to how the voting process will work we need to explore further.	The voting process is explained in paragraphs 6.27–6.30 of the Handbook.
52	Voting and written vote	6.29	Katherine Coates	Make clear that we need a written vote on Standards' endorsement and not on other things and this is not the way it reads at the moment.	Paragraph 6.29 has been amended following the suggestion made.
53	Feedback statement	6.33	Katherine Coates	In the pre-finalisation of a Standard look at the feedback received from an earlier stage.	Paragraph 6.34 already notes that the Secretariat will look at any other feedback derived from other outreach activities.

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
Section 7: Thought leadership and research programme					
54	Leading the UK debate (thought leadership)	7.3(b)	Liz Murrall	Paragraphs 7.3(b) and (c) seem similar, can we combine them?	Paragraph 7.3(b) has been amended.
55	Leading the UK debate (thought leadership)	Former paragraph 7.3(c)	Amir Amel-Zadeh	Are the “specific panels or committees” in paragraph 7.3(c) different to advisory groups or TAGs?	Yes –former paragraph 7.3(c) has been deleted to avoid repetition.
56	Participating proactively in the development of global standards	7.4(b)	Giles Mullins	In paragraph 7.4 we should not be aiming to improve or remedy deficiencies in financial reporting or solving complex financial reporting problems” as it sounds like technical advice and interpretation?	Paragraph 7.4(b) has been amended to indicate that the aim is to improve or remedy deficiencies in international accounting standards.
			Pauline Wallace	Agree. We should be aiming to remedy deficiencies in the standards (not deficiencies in the application).	
57	Participating proactively in the development of global standards	7.4(c)	Liz Murrall	Who are “other parties”?	Paragraph 7.4(c) has been amended. We have replaced “other parties” with “others”.
58	Representing UK views	7.5(b)	Liz Murrall	In paragraph 7.5(b) we say that we will maintain effective relationships	Paragraph 7.5(b) has been amended to indicate that we will maintain

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
				with other national standard-setters. Why not also maintaining relationships with the IASB?	effective relationships with the IASB and also with other national standard-setters.
59	Representing UK views	Former paragraph 7.5(b)(iv)	Sandra Thompson	When it talks about developing joint thought leadership documents – is this in the context of representing UK views in international for a?	We suggest deleting (former) paragraph 7.5(b)(iv) as developing materials is covered in the next section “Engaging with other bodies in other jurisdictions”.
60	Representing UK views	7.5(c)	Sandra Thompson	In addition, I am overall concerned that all references to thought leadership documents are to joint ones with e.g. other NSS. That does not strike me as leading the debate or the UK voice.	Paragraph 7.5(c) has been amended to emphasise the development of the UKEB’s thought leadership material to lead on the accounting debate.
61	Engaging with other bodies in other jurisdictions	7.6–7.7	Sandra Thompson	The activities listed in (former) paragraph 7.6 (<i>i.e. (a) developing close co-operation, support and communications with other national standard-setters; (b) forming coalitions to develop support for key UK views and promote best practice; and (c) developing joint thought leadership and research documents</i>) sound more like co-ordinating the debate between UK stakeholders and with the IASB than leading the debate. If we are leading the debate, should there not be room for our own point of view/thought leadership	We have deleted (former) paragraphs 7.6–7.9 on how the UKEB engages with other national standard setters as well as former paragraph 7.12 that described the work of the UKEB with other standard-setters. We have amended current paragraphs 7.6–7.7 to highlight the fact that regular contact between the UKEB and other national standard setters can help strengthen the UKEB’s thought leadership role.

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
				materials, analysis of issues, potential solutions etc in here? E.g. blogs, articles, in roundtables etc	
62	Research programme– Objective	7.9–7.11	Katherine Coates	Are paragraphs 7.9 and 7.11 consistent?	<p>Yes–paragraphs 7.9 and 7.11 are consistent:</p> <p>a) Paragraph 7.9 explains the main objectives derived from the UKEB’s research programme.</p> <p>b) Paragraph 7.11 adds that this type of research could be done by the UKEB on its own or with other interested parties.</p> <p>In addition, we have amended:</p> <p>(a) paragraph 7.9 to emphasise the UKEB’s objective of identifying research issues for its own workplan.</p> <p>(b) paragraph 7.11 to clarify that the research undertaken by the UKEB will not always be done in conjunction with other parties.</p>
63	Research programme– Objective	7.10	Katherine Coates	Do we propose issuing draft papers (i.e. for “theoretical and conceptual research”)? Can we also explain the comment process, and how it works? Especially what it means for Board approval	Yes–we will issue discussion papers, research papers or requests for information as explained in the “main outputs” section. The expected milestones for these papers are

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
			Pauline Wallace	Yes, let's be clear about our steps?	mentioned in paragraph 7.14 and explained in subsequent paragraphs. Paragraph 7.10 has been amended to replace "theoretical and conceptual research" with "explorative".
64	Research programme– Main outputs	Table below paragraph 7.12	Sandra Thompson	Suggests clarifying if Discussion Papers are prepared by the UKEB on its own or could be in collaboration with others (as for research papers). <i>(Note: Board members thought it could be either)</i> . Should we also acknowledge that these could be in combination with other groups, not only ever from UKEB?	We have included a table describing the main similarities and differences amongst Research papers, Discussion papers and Requests for Information.
65	Research programme– Main outputs	Table below paragraph 7.12	Liz Murrall	The fact that a Discussion paper is "balloted" by the Board implies that this is done in secret?	No – it does not imply that. We have changed the term "ballot" for "written vote" to avoid confusion. Refer to the table we have included below paragraph 7.12. We have also amended for consistency purposes paragraphs 4.2, 7.27 and 8.23.
66	Research programme– Main outputs	(former) paragraph 7.18 which referred to "informal papers or	Sandra Thompson	This paragraph sounds like thought leadership to me and I do wonder if it is in the right place (and all the later sections e.g. on milestones, comment periods etc do not refer to these).	We have moved part of the content of former paragraph 7.18 to new paragraph 7.5(e) to mention that the UKEB also issues: "articles, podcasts or videos, to stimulate debate on a particular matter or technical issue.

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
		reports" (now deleted and some of the content moved to paragraph 7.5(e))	Katherine Coates	Don't think we should require a compliance statement.	<p>The Board does not express any opinion or tentative views on the matters presented in such papers or reports".</p> <p>The Secretariat has also amended the heading above paragraph 7.5 as follows:</p> <p>Representing UK views in international fora <u>or in media</u> with the aim of influencing debate.</p>
67	Milestones	7.13	Sandra Thompson	These milestones are fine for a Discussion Paper, but seem overkill for an article or bulletin (and for some requests for information)	<p>Paragraph 7.13 lists the milestones that are mandatory for research projects. Paragraph 7.13(f) specifies that a Due Process Compliance Statement is only required when issuing a Discussion Paper.</p> <p>Paragraph 7.14 has been added to allow flexibility as well as the use of a "proportionate approach" when carrying out research activities.</p> <p>Paragraph 7.15 specifies when due process steps are not mandatory.</p>
			Katherine Coates	Need to be clear about the ability to skip steps in the due process.	
			Sandra Thompson	We should report compliance with due process steps for research activities as a matter of transparency and best practice.	
68	Milestones	7.13(f)– Feedback statement	Pauline Wallace	We might want to think about using a different term to a feedback statement. This is about things we	We have amended paragraph 7.13(f) and added new paragraph 7.34 to state that research activities that

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
				have heard, rather than what we have done with the feedback. We might want to talk to the FRC about compliance statements.	involve issuing a Discussion Paper are required to complete a "Due Process Compliance Statement".
69	Milestones	7.13(f)– Feedback statement	Katherine Coates	Is a feedback statement really necessary, especially for research papers?	A Feedback statement is only necessary when issuing a Discussion Paper as noted in paragraph 7.13(f) and in new paragraph 7.30.
70	Milestones	7.13(f)– Feedback statement	Pauline Wallace	We need a feedback statement for a discussion paper but not sure what the function is for a research paper?	<p>We have made clear in paragraphs 7.13 and 7.30–7.31 that:</p> <ul style="list-style-type: none"> (a) a feedback statement is only necessary for a discussion paper. (b) A comment letter analysis is needed for a research paper and for a request for information. <p>Paragraph 7.15 further indicates that if the UKEB is not requesting views or input from the public on a research paper, a comment letter analysis is not a mandatory due process step.</p> <p>We have replaced the term "Feedback Statement" with "Comment Letter Summary". We have also included a description of such summary in paragraphs 7.31–7.32.</p>

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
71	Milestones	7.16	Sandra Thompson	Seems to envisage that research proposals always come from the secretariat. Could they not come from a third party (eg via the academic community)?	Paragraph 7.16 has been amended to indicate that research proposals could come from a third party.
72	Milestones– Project Initiation Plan	7.19	Katherine Coates	PIP should include an indication of resource required to inform the Board decision.	Paragraph 7.19 has been amended to indicate that the PIP provides information about “available resources” (i.e. that may be allocated to a certain project).
73	Publication– Discussion papers	7.26(b)	Sandra Thompson/Liz Murrall	Drafting error in last sentence that refers to endorsement and adoption process (if there is not a 2/3 majority for publication of a DP)	Paragraph 7.26(b) has been amended to correct the error.
74	Publication– Research papers and Requests for Information	7.29	Sandra Thompson	Is the simple majority of those present in the meeting, or the full Board?	Paragraph 7.29 has been amended to indicate that research papers and requests for information require the support of a simple majority of the full Board.
Section 8: Post-implementation reviews					
75	Processes for the UKEB’s Post-implementation Review work	8.10	Liz Murrall	This paragraph does not explain that a post-implementation review is needed when a change is significant.	Paragraph 8.10 has been added to include examples of situations when the UKEB may decide to perform its own post-implementation reviews. Paragraph 8.11 explains what the UKEB may do if it decides not to undertake a post-implementation review.
			Pauline Wallace	This paragraph does not explain what needs to be done if we decide not to undertake a post-implementation review.	

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
Section 9: Advisory groups					
76	Introduction	9.1	Sandra Thompson	Purpose of the groups. I wasn't sure we would always be seeking "technical accounting" advice. Could we broaden the term. Also, some of our members might not view themselves as specialists. Can we shorten to 'with the purpose of gathering technical advice and other input on its projects or other technical matters' (that would seem to include views and UK implementation issues but omit the requiring specialist input	Paragraph 9.1 amended, following the suggestion made.
77	Introduction	9.2(b)	Liz Murrall	Transparency and accountability of what? The UKEB?	We have deleted "that enhance transparency and accountability" from paragraph 9.2(b) as the Handbook refers to these principles in the Introduction section.
78	Introduction	9.2(c)	Sandra Thompson	What is the difference between 'UK reporting community and 'the general corporate reporting community'? Do we need two different terms? Is the latter international - if so might be better to say so?	Paragraph 9.2(c) has been amended, to refer to the "international community" instead.
79	Composition of advisory groups–Types	Table below paragraph	Mike Wells	For the description line (ad-hoc groups) is this expressed broadly enough to accommodate the	The group description for the ad-hoc advisory group has been amended to refer to a group that "provides focused

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
	of advisory groups	9.4– Description		possibility of ad-hoc groups in support of particular thought leadership/research projects (eg investor perspective: intangible assets)?.	input on a wide range of technical issues”. The membership description for the ad-hoc advisory group has also been amended following the suggestions made.
80	Composition of advisory groups–Types of advisory groups	Table below paragraph 9.4 –Members	Sandra Thompson	Under ‘members’ suggest put stakeholder type first as all the standing advisory groups envisaged at present are by stakeholder type	‘Stakeholder type” has been added next to “Members”.
81	Types of participants	9.5	Mike Wells	I assume that paragraph 9.5 is covering both standing and ad Hoc advisory groups?	Correct. We have added in brackets “standing or ad-hoc”.
82	Types of participants	9.5	Liz Murrall	We seem to be inconsistent, users, capital markets and investors all used interchangeably.	Paragraph 9.5(a) has been amended to refer in a generic way to ‘users’ instead of to “market participants”.
83	Types of participants	9.5(a)	Sandra Thompson	Suggests re-ordering to put capital market participants first given IFRS are for the benefit of users.	Done – we have included “users” on top of this list.
84	Types of participants	9.5(c)	Mike Wells	The final sentence would be improved by including “governance and environmental”.	Paragraph 9.5(c) has been amended following the suggestion made.
85	Types of participants	9.5(f)	Mike Wells	Also include a reference to “regulators”	New paragraph 9.5(f) has been added following the suggestion made.
86	Appointments and membership	9.10	Katherine Coates	Include a sentence around diversity of skills and experience.	Paragraph 9.10 has been amended following the suggestions made.
			Giles Mullins	Include an explicit statement on diversity of background too.	

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
87	Appointments and membership	9.10–9.11	Sandra Thompson	The term “Chair” is a bit confused, whether Pauline or “chair” of a committee, can we clarify.	Section 9 of the Handbook has been revised following the suggestion made.
88	Appointments and membership	9.11	Pauline Wallace	We don’t have alternates at Board meetings. It opens a whole can of worms. My question is why do we think we need them? Can we take that away and reword?	Paragraph 9.11 has been reworded to allow alternates only when a member of an advisory group is not able to attend an advisory group meeting, but only at the at the discretion of the advisory group’s chair. This provides a measure of mitigation and control and avoids situations of frequent alternation. Moreover, we observe that the Terms of Reference for one of the current UKEB’s advisory groups (i.e. the Insurance Technical Advisory Group or ‘TAG’) already allows alternates at the discretion of the TAG’s Chair. We are asking the Board to confirm this change in agenda paper 3 (cover paper for the November 2021 meeting).
			Phil Aspin	I found it unusual that someone appointed to an advisory group in a personal capacity could be represented by an alternate although the application of discretion by the chair provides mitigation/control	
			Katherine Coates	I agree except in exceptional circumstances no alternatives.	
89	Appointments and membership	9.14	Mike Ashley	We might have ‘term limits’ for advisory groups but it is not expressed here. We also talked about consecutive terms.	Paragraph 9.14 and <i>Appendix E [Draft] Terms of Reference outline for advisory groups</i> has been amended to indicate that “Members of advisory

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
			Liz Murrall	Membership terms versus review of membership.	groups are appointed for an initial term of up to three years renewable for a second term of up to three additional years. The length of term may be shortened to allow for a staggered rotation of members to ensure continuity on the group". We are asking the Board to confirm this change in agenda paper 3 (cover paper for the November 2021 meeting).
			Pauline Wallace	Include staggering terms.	
90	Meetings	9.16	Katherine Coates	Add a reference to confidentiality of papers and discussions	Paragraph 9.16 has been amended to add a reference to confidentiality of papers and discussions.
			Liz Murrall	Also make it clearer that paper can be shared with others to gather feedback on a confidential basis.	
91	Meetings	9.17	Pauline Wallace	I will be following up with Board members to see who can attend what. Seema, can any Board member attend any group?	Paragraph 9.17 has been added to include the possibility of Board member(s) attending meetings of advisory groups.
92	Meetings	9.21(b)	Sandra Thompson	Who are advisory groups advising? isn't it to the Board (or both i.e. Secretariat and Board)?	Paragraph 9.21(b) has been amended to indicate that standing advisory groups provide advice to the Board whereas ad-hoc advisory groups provide advice the UKEB Secretariat
			Pauline Wallace	Standing advise Board, ad hoc Secretariate.	

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
93	Effectiveness review	9.23	Sandra Thompson	Suggests changing 'committee' to 'group'	Paragraph 9.23 has been amended following the suggestion made.
Section 10: Influencing the work of the IFRS Interpretations Committee					
94	Considering whether to respond to a tentative agenda decision	10.6	Sandra Thompson	I think we want factors to consider. The degree of impact on UK companies, whether we agree with the analysis, whether the answer is not useful, we might also choose to respond when we agree if others disagree. Better ones would be (affects UK companies (prevalence or size), disagree with the technical analysis, daft answer, express a positive view where appropriate on a controversial issue)	Paragraph 10.6 has been amended and paragraph 10.7 has been added to refer to some factors that could be considered as suggested by Board members. We are asking the Board to confirm this change in agenda paper 3 (cover paper for the November 2021 meeting).
			Pauline Wallace	How do we determine which topics are commented on? We definitely need a consistent approach to addressing IFRIC.	
			Amir Amel-Zadeh	Something could be of interest without being controversial. We should avoid controversial.	
95	Considering whether to respond to a tentative	10.8	Sandra Thompson	Replace drafting 'can then decide' with 'it decides'	Paragraph 10.8 has been amended following the suggestion made.

#	Section	Current paragraph reference	Commentator	Comments	Response by the Secretariat
	agenda decision				
96	Project milestones for tentative agenda decisions	10.10	Sandra Thompson	Explain why might not issue a draft comment letter – i.e. shorter timescale to respond.	Paragraph 10.10 has been amended to explain that due to shorter comment periods it may be more appropriate to consult with groups of stakeholders rather than issuing a draft comment letter for comment.
97	Project milestones for tentative agenda decisions	10.12(b)	Sandra Thompson	Add 'tentative' into a) and b)	The reference in paragraph 10.12(a) to "agenda decision" is correct and has not been amended. Paragraph 10.12(b) has been amended following the suggestion made.
Section 11: Due Process Compliance Statement					
98	Introduction	11.3(b)(i)	Katherine Coates	Paragraph 11.3(b)(i) needs a reference to an amended PIP.	Correct. Paragraph 11.1 has been amended following the suggestion made.
99	Introduction	11.4	Liz Murrall	UKEB discusses and provides comments. Shouldn't that be the Board?	Correct. Paragraph 11.4 has been amended following the suggestion made.

Proposed questions for public consultation

Proposed question	
Section 4: Mandatory due process activities	
1.	Do you agree with the processes described for the mandatory due process activities section in paragraphs 4.1–4.23?
Section 5: Influencing process	
2.	Do you agree with the processes described for the influencing process section in paragraphs 5.1–5.32?
Section 6: Endorsement process	
3.	Do you agree with the processes described for the endorsement process section in paragraphs 6.1–6.41?
Section 7: Thought leadership and research programme	
4.	Do you agree with the processes described for the thought leadership and research programme section in paragraphs 7.1–7.34?
Section 8: Post-implementation reviews	
5.	Do you agree with the processes described for the post-implementation reviews section in paragraphs 8.1–8.32?
Section 9: Advisory groups	
6.	Do you agree with the processes described for the advisory groups section in paragraphs 9.1–9.23?
Section 10: Influencing the work of the IFRS Interpretations Committee	
7.	Do you agree with the processes described for influencing the work of the IFRS Interpretations Committee in paragraphs 10.1–10.13?
Section 11: Due Process Compliance Statement	
8.	Do you agree with the processes described for the Due Process Compliance Statement section in paragraphs 11.1–11.5?