

Due Process Compliance Statement:

Endorsement of May 2020 amendments to international accounting standards (*with an effective date of 1 January 2022*)

The May 2020 amendments to international accounting standards project was initiated before the UKEB was established and the Due Process Handbook (DPH) was drafted. The project informed the development of the DPH which is currently under public consultation.

Endorsement process: May 2020 amendments to international accounting standards (<i>with an effective date of 1 January 2022</i>)			
Step	Required / Optional	Metrics or evidence	UKEB secretariat comments
IASB's due process documents			
Annual improvements to IFRS® Standards 2018–2020		Exposure Draft published: ED/2019/2 21/05/2019 Comment deadline: 20/08/2019 Final amendments published: 14/05/2020	The IASB issued four amendments in its 2018–2020 annual improvements cycle. This project excludes the amendment that changed an Illustrative Example in IFRS 16 <i>Leases</i> , because Illustrative Examples are not an integral part of a Standard and the endorsement and adoption process applies only to text that is an integral part of a Standard
Amendments to IAS 16 <i>Property, Plant and Equipment</i> —Property, Plant and Equipment: Proceeds before Intended Use		Exposure Draft published: ED/2017/4 20/06/2017 Comment deadline: 19/10/2017 Final amendment published: 14/05/2020	
Amendments to IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> —Onerous Contracts—Cost of Fulfilling a Contract		Exposure Draft published: ED/2018/2 13/12/2018 Comment deadline: 15/04/2019 Final amendment published: 14/05/2020	
Amendments to IFRS 3 <i>Business Combinations</i> —		Exposure Draft published: ED/2019/3	

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Step	Required / Optional	Metrics or evidence	UKEB secretariat comments
Reference to the Conceptual Framework		30/05/2019 Comment deadline: 27/09/2019 Final amendment published: 14/05/2020	
Project preparation			
Technical project added to UKEB technical work plan and discussed	Required	Project is included in the published technical UKEB Work Plan.	Complete: Link to the May 2020 Amendments project page included on UKEB website.
Project preparation and Project Initiation Plan (PIP)	Required	PIP draft with outline (background, scope project objective) and approach for endorsement and adoption (key milestones and timing) proportionate to the project	Complete: The Secretariat included mandatory milestones for the project and considered, as appropriate, other milestones and activities, following a proportionate approach. PIP approved at 09/07/21 meeting: Agenda paper 5 and appendices to this paper: 5.1, 5.2, 5.3 and 5.4.
	Required	Outreach plan for stakeholders outlined and communication approach	Complete: Due to the minor and narrow-scope nature of the amendments, consultation activities were focused solely on obtaining responses on the Draft Endorsement Criteria Assessment (DECA) (as posted on the UKEB website).
	Required	Resources allocated	1 Project manager (Denise Durant) overseen by 1 Senior Project Director (Annette Davis).
	Required	Assessment of whether to set up an ad-hoc advisory group	Complete: Assessed but having an ad-hoc advisory group was not considered necessary due to the minor and narrow-scope nature of the amendments, using a proportionate approach.
	Required	UKEB Board public meeting held to approve PIP	Complete: PIP approved at 09/07/21 meeting: Agenda paper 5 and appendices to this paper: 5.1, 5.2, 5.3 and 5.4.
	Optional	UKEB Education or initial assessment	Not assessed due to resource constraints and late commencement of project. A brief

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			outline of each amendment was given when discussing the PIP.
Communications			
Communications	Required	UKEB Board public meetings held to discuss technical project	Complete. 09/07/21: PIP (agenda paper 5) approved. 17/09/21: DECA (agenda paper 8) approved. 17/02/22 Adoption Package approved comprised of: <ul style="list-style-type: none"> • Final Endorsement Criteria Assessment (ECA) • Feedback Statement • [Draft] Due Process Compliance Statement; and • Content of Adoption Statement.
	Required	Board meeting papers posted and publicly available on a timely basis.	<ul style="list-style-type: none"> • PIP included: agenda paper 5 and Appendices: 5.1, 5.2, 5.3 and 5.4 (09/07/21) • DECA included: agenda paper 8 (17/09/21).
	Required	Project website contains a project description with up-to-date information on the project.	Complete: Link included.
	Required	Update UKEB website	Complete: Project webpage updated regularly, and News Alerts issued to subscribers with latest status and documents.
	Required	Evidence that subscriber alerts have occurred	Complete: Subscribers alerted via email 5 days before each board meeting. This included the papers and an option to dial in to observe the discussion. For example, the DECA publication News Alert.
	Optional	Project email address	Complete: A specific project email was used for outreach and correspondence purposes throughout the duration of the project.

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Desk-based research			
	Optional	Identify relevant research sources and documents	<p>Complete: Given that the amendments were published by the IASB in May 2020, before the UK's Exit from the EU and before the creation of the UKEB, the Board or the Secretariat had not been involved in influencing the IASB's proposals. However, the Secretariat's desk-based review of IASB's previous work on the amendments, of the UK responses to the proposals, and the basis for conclusions for each final amendment confirmed that the comments from UK stakeholders had been fully considered by the IASB. This analysis was included as an Appendix to the PIP discussed by the Board at the 09/07/21 Board meeting (agenda paper 5.4).</p> <p>The Secretariat also reviewed EFRAG's Endorsement Advice Letters to the European Commission for each one of the amendments included in this project¹.</p>
	Optional	Agree main assumptions about the project	<p>Complete: It was agreed that:</p> <ul style="list-style-type: none"> • The amendments are minor and/or narrow in scope as they meet the IASB's annual improvements criteria and/or meet the IASB's criteria for narrow-scope amendments. • The comments from UK stakeholders had been submitted directly to the IASB and/or to the European Financial Reporting Advisory Group (EFRAG) and considered

¹ These letters are publicly available in <https://www.efrag.org/>.

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			by the IASB when finalising the amendments.
Outreach activities			
<i>Advisory groups set-up</i>			
	Optional	Number of advisory group meetings and evidence of substantive involvement in issues	No advisory groups were set up due to the minor and narrow-scope nature of the amendments covered in this project.
<i>Fieldwork undertaken</i>			
Public events, roundtables, workshops, interviews with specific groups of stakeholders or surveys.	Optional	Number of meetings held and venues documented	None. Due to the minor and narrow-scope nature of the amendments, consultation activities were focused on obtaining responses on the Draft Endorsement Criteria Assessment (DECA).
Draft Endorsement Criteria Assessment (DECA)			
DECA	Required	UKEB sets comment period for response on DECA	Complete: Published: 30/09/2021 (original comment period deadline due by 01/11/21). Comment period deadline was subsequently extended to 30/11/21 .
	Required	UKEB public meetings held for review and approval	Complete: Approved at 17/09/21 Board meeting.
	Required	DECA posted on UKEB website for public consultation	Complete: DECA and Invitation to Comment (posted on the UKEB website). DECA publication News Alert on 30/09/2021.
	Required	News Alert published to announce publication	Complete. News Alert on 30/09/2021 calling for comments (original comment period deadline due by 01/11/21). News Alert on 01/11/21 extending the comment period to 01/08/21. Two subscriber alerts were subsequently issued to inform that the comment period deadline had been extended again. <ul style="list-style-type: none"> A subscriber e-mail alert was sent on 11/11/2021 informing that the comment period had been extended to 18/11/21.

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			<ul style="list-style-type: none"> Another subscriber e-mail alert was sent on 19/11/2021 informing that the comment period had been extended to 30/11/21.
Project closure			
Final Endorsement Criteria Assessment (ECA)	Required	Public responses on DECA assessed and posted on website	Complete: Four comment letters received from: ACCA, ICAEW, Local Authority Pensions Fund Forum (LAPFF) and Grant Thornton.
	Required	Final ECA approved by UKEB in public meeting	Complete: Approved at the 17/02/22 Board meeting subject to some changes discussed at the meeting.
	Required	Publish final ECA on UKEB website	Complete.
	Required	News Alert published to announce publication	Complete. Included in the News Alert published 13/04/22.
Feedback statement	Required	Feedback Statement approved by UKEB in public meeting	Complete Feedback Statement approved at Board meeting 17/02/22.
	Required	Feedback Statement posted on UKEB Website	Complete.
	Required	News Alert published to announce publication	Complete. Included in the News Alert published 13/04/22.
Due Process Compliance Statement	Required	Due Process Compliance Statement approved by UKEB in public meeting	Complete. Approved at 17/02/22 Board meeting.
	Required	Due Process Compliance Statement posted on UKEB Website	Complete*. <i>*This reflects the final wording of this document that will be published on the UKEB website once this document has been noted at the 21/04/2022 Board meeting.</i>
Adoption Statement	Required	Content of Adoption statement approved by UKEB in public meeting	Complete. Approved at 17/02/22 Board meeting.
	Required	Adoption statement posted on UKEB Website	Complete. Posted on 13/04/22.
	Required	News Alert published to announce publication	Complete. Included in the News Alert published 13/04/22.

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Voting			
Vote on Adoption Package	Required	Evidence of written vote (in paper or electronic form).	Vote was finalised noon 12/04/22 .
	Required	News Alert published to announce the outcome of the vote to adopt the May 2020 amendments	Complete. Included in the News Alert published 13/04/22 .

Conclusion
<p>The PIP explained that the amendments included as part of this project were published by the IASB in May 2020, before the UK's Exit from the EU and before the creation of the UKEB and that the Board or the Secretariat had not been involved in influencing the IASB's proposals. To mitigate the impact of this, the Secretariat performed extensive desk-based research to confirm that the comments from UK stakeholders had been fully considered by the IASB. In addition, due to the minor and narrow-scope nature of the amendments the outreach activities for this project were focused on obtaining responses on the DECA.</p> <p>Overall, this project due process complies with the UKEB Due Process that is in place at the time of writing.</p>

Approval
Does the Board approve the Due Process Compliance Statement for publication for the May 2020 Amendments?