

UKEB Regulatory Strategy 2025/2028

Executive Summary

Project Type	Regulatory Strategy
Project Scope	Significant
Purpose of the paper	
This paper presents the UKEB's three-year Regulatory Strategy 2025-2028 and Feedback Statement for the Board's consideration and approval.	
Summary of the Issue	
<p>At the November 2024 Board meeting the UKEB approved the publication of the (Draft) Regulatory Strategy 2025-2028 for stakeholder consultation. The UKEB's draft budget was also approved at the same meeting. The consultation ran for seven weeks from 17 December 2024 to 6 February 2025 and was timed to run concurrently with the FRC's consultation on its Plan and Budget, which includes the UKEB budget.</p> <p>Two comment letters (from PwC, ICAEW) were received in response to the consultation. The responses were supportive of the UKEB's strategy and direction, overall, and included some specific feedback. Both letters were published on the UKEB website.</p> <p>This paper presents the proposed final UKEB Regulatory Strategy 2025/28 (Appendix A) and a Feedback Statement (Appendix B) summarising the UKEB's proposed response to the stakeholder feedback.</p> <p>Given the mainly supportive nature of the stakeholder feedback, the UKEB's Regulatory Strategy 2025/28 remains largely unchanged from the consultation draft, except for updating for the adoption of annual improvements and the additional comment letters submitted to the IASB in the intervening period. Other updates relate to minor amendments to the Chair's introduction to acknowledge the UKEB's letter to the IASB on the Rate Regulated Activities project and board succession planning.</p> <p>However, to acknowledge the stakeholder feedback received, the Secretariat proposes including in the Feedback Statement:</p> <ul style="list-style-type: none">• the Board's intention to publish the UKEB's draft comment letter on the IASB's upcoming Request for Information on its Fourth Agenda Consultation covering 2027-2031, for stakeholder consultation; and• that the Board may take that opportunity to consult on its own proposed research programme. This should provide stakeholders with the opportunity to contribute to the IASB's workplan as well as the areas of research focus for the UK. <p>Following Board approval, both documents will be published on the UKEB website.</p>	

Decisions for the Board

The Board is asked to approve the following for publication:

1. the Regulatory Strategy 2025/28; and
2. the consultation Feedback Statement.

Recommendation

The Secretariat recommends that, subject to any comments at the meeting, the Board approves the Regulatory Strategy 2025/28 and Feedback Statement.

Appendices

- Appendix A - Regulatory Strategy 2025/28
- Appendix B - Feedback Statement

Regulatory Strategy 2025/28 (Draft)



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I. Chair's Introduction

Looking Back: The First UKEB Regulatory Strategy 2022/25

The UKEB was established in 2021 to influence the development of new international accounting standards and to consider them for adoption for use by UK companies. These statutory functions require us to act in the UK's long term public good, supporting capital allocation through the provision of transparent and comparable financial information that is decision-useful for investors.

The Board's first regulatory strategy, covering the three-year period to March 2025, was aimed at balancing the set-up of necessary organisational structures with delivery of its statutory functions.

Highlights of the UKEB's achievements during this period include:

- Adoption of IFRS 17 *Insurance Contracts*. The standard was a fundamental overhaul of accounting for insurance contracts, introduced to ensure an entity provides relevant information to its investors that faithfully represents those contracts.
- Adoption of 20 narrow scope amendments to IFRS, including a number of urgent amendments.
- Publication of 15 comment letters to the International Accounting Standards Board (IASB) on their work. In addition, the UKEB sent 2 comment letters to the International Sustainability Standards Board (ISSB) providing feedback on their work, and 1 comment letter to the Due Process Oversight Committee (DPOC) in response to its Due Process Handbook Review Project.
- Publication of a letter to the IASB on its Rate-regulated Activities project. The letter highlighted the UKEB's concerns with the IASB's tentative decisions on the project, their impact on UK entities within scope of the proposed standard and a proposed approach to address those concerns ('The Consolidated Report on the UKEB Secretariat's Top-down Approach').
- Monitoring and influencing the IASB's redeliberation of live standard-setting through discussion at UKEB Board meetings.
- Completion of pro-active research projects on: Subsequent Measurement of Goodwill; Connectivity between IASB and ISSB standards; and Accounting for Intangible Assets. These projects led to the publication of six well-received research reports, timed to feed into the IASB and ISSB's ongoing work in these areas, and contributed to the international debate on these issues.
- Active participation in discussions at international standard-setting fora, including at the IASB's Accounting Standards Advisory Forum (ASAF), as well as at other

international and UK events. We also worked collaboratively with other national standard setters to issue a joint letter to the IASB and ISSB on connectivity in financial reporting.

- Engaging in the UK Government’s work to assess IFRS Sustainability Disclosure Standards for endorsement for use in the UK, through our membership of the UK Sustainability Disclosure Technical Advisory Committee (TAC) and UK Sustainability Disclosure Policy Implementation Committee (PIC).
- Developing, consulting on and finalising the UKEB’s Due Process Handbook.
- Setting up four standing advisory groups (Accounting Firms and Institutes, Investors, Preparers and Academics), an ad-hoc advisory group on Rate-regulated Activities, and two working groups to provide support to the UKEB Secretariat’s work on Financial Instruments and Sustainability. The insights provided by these groups have been critical in ensuring that the Board is informed of the views of key UK stakeholder groups.
- Commencing Board succession planning to allow the smooth rotation of Board members. Towards the end of this three-year period, three of the inaugural members, who contributed so much to the success of the UKEB, have rotated off and been replaced by new members.

Context for the UKEB Regulatory Strategy 2025/28

The UKEB considers long term public good in all of its work. This includes addressing the implications for UK economic growth and competitiveness, the needs of investors and businesses, and supporting effective and efficient capital allocation through comparable and proportionate reporting standards. This is underpinned by the statutory requirement for the UKEB to consider the UK’s long term public good as part of its endorsement process.

The UK and international business landscape has changed significantly since 2022, with increasing technological innovation and a shift towards a greener economy. As the business world adjusts to a new economic reality that may be carbon-constrained, corporate reporting must continue to balance the needs of investors and capital markets for understandable and transparent financial information, with the cost for companies.

Within the international standard-setting sphere, this change in the business world has been reflected by the expansion of the IFRS Foundation to incorporate a sister board to the IASB, the ISSB, and the shift in the IASB’s focus to projects on intangibles, accounting for renewable electricity contracts and connectivity. The IASB is also expected to consult stakeholders on its next five-year agenda during this regulatory strategy period, which will determine the extent to which these themes need to be addressed through accounting standard-setting.

In the UK, the appointment of the Financial Conduct Authority as a member of the IFRS Foundation’s Monitoring Board provides an opportunity for further collaboration and an enhanced UK voice in support of international accounting and sustainability reporting standards.

As part of the UK Government's commitment to international sustainability standards and the establishment of the UK Sustainability Reporting Standards (UK SRS) endorsement framework, the UKEB continues to be represented on both advisory committees – the Technical Advisory Committee and the Policy Implementation Committee.

The challenges and opportunities that form the context for the UKEB's regulatory strategy for the 2025/28 period include:

- Maintaining the UKEB's strong, influential voice amongst the international standard-setting community.
- Maintaining and building on the UKEB's reputation for robust, evidence-based research, designed to feed into the IASB and ISSB's ongoing work and contribute to the international debate on reporting issues.
- Using the UKEB's convening powers to engage with a range of stakeholders, both in the UK and internationally, to help achieve the UKEB's mission and statutory functions.
- Attracting and retaining sufficient and qualified Secretariat resource, in a tight market, to ensure the UKEB maintains the headcount and skillset needed to fulfil its statutory functions.
- Ensuring a robust governance and due process framework that is proportionate and fit for purpose.
- Ensuring stable funding whilst maintaining the Board's technical independence.
- Ensuring diversity, equity and inclusion at all levels of the organisation.

Pauline Wallace

Chair

2. Our Purpose

The UKEB was established with a specific set of statutory functions and mission, to be achieved via a core set of values.

Statutory Functions

The statutory functions of the UKEB, as delegated to it by the Secretary of State for the Department for Business, Energy and Industrial Strategy (BEIS) in May 2021¹, are to:

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

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

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

Mission

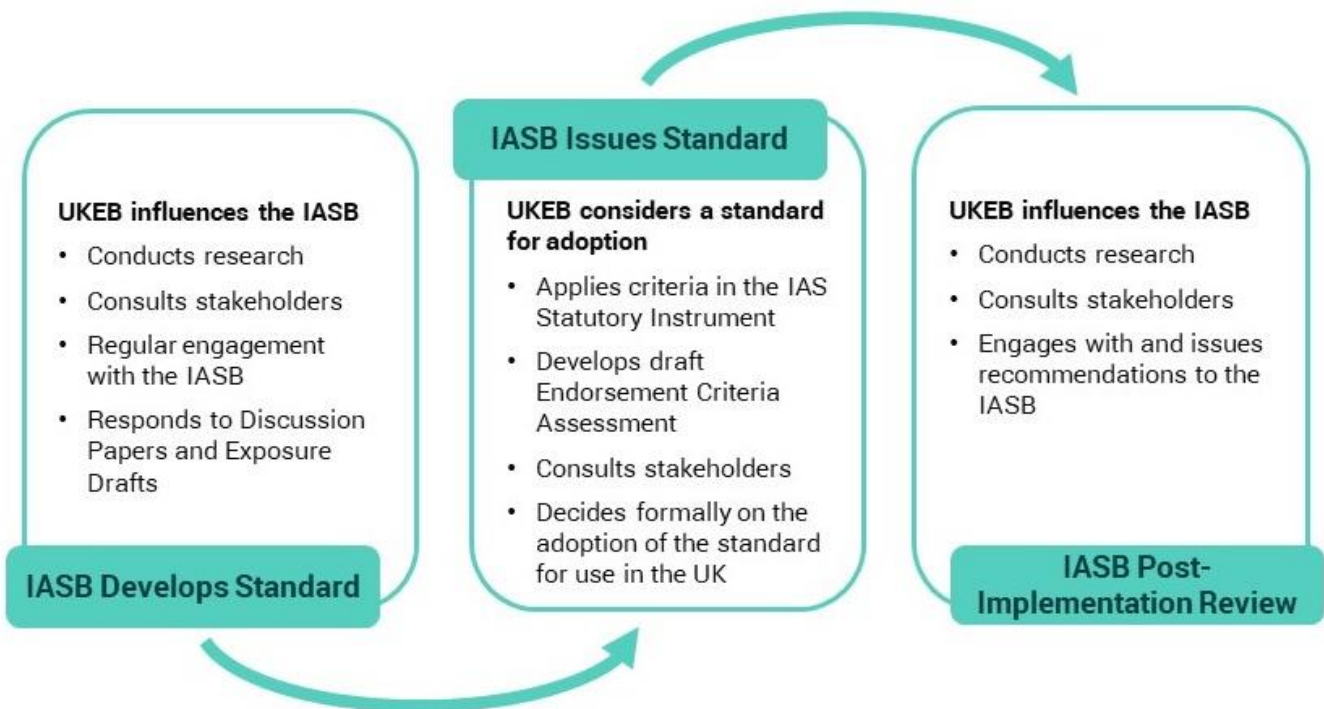
To serve the UK long term public good by leading the debate on the development of high-quality international accounting standards that are suitable for adoption in the UK. To achieve this the UKEB develops and synthesises UK views on financial reporting and presents them in the international arena, to maintain an influential and effective UK voice.

Values

The UKEB operates in the public interest, following the seven principles of public life, our four guiding principles, and the principles for dealing with resources in public sector organisations in the UK.

¹ Following the changes announced on 7 February 2023, oversight of the UKEB's discharge of its statutory functions moved from BEIS to the Department for Business and Trade (DBT).

The UKEB's influencing and adoption assessment cycle



3. Our Strategy

Our regulatory strategy sets out the strategic objectives that will help the Board navigate future changes to the business or standard-setting environments.

3.1 Strategic Objectives 2025/28

The UKEB's strategic objectives are derived from its statutory functions. The UKEB's strategic approach to carrying out its statutory functions and achieving its objectives builds on the approach taken in the UKEB's first three-year strategy, for the period 2022/25.

Our 2025/28 strategy will, among other things, guide the UKEB in identifying priorities, deciding on how to use its resources efficiently, and making informed decisions.

The UKEB's strategy has two main objectives which are to:

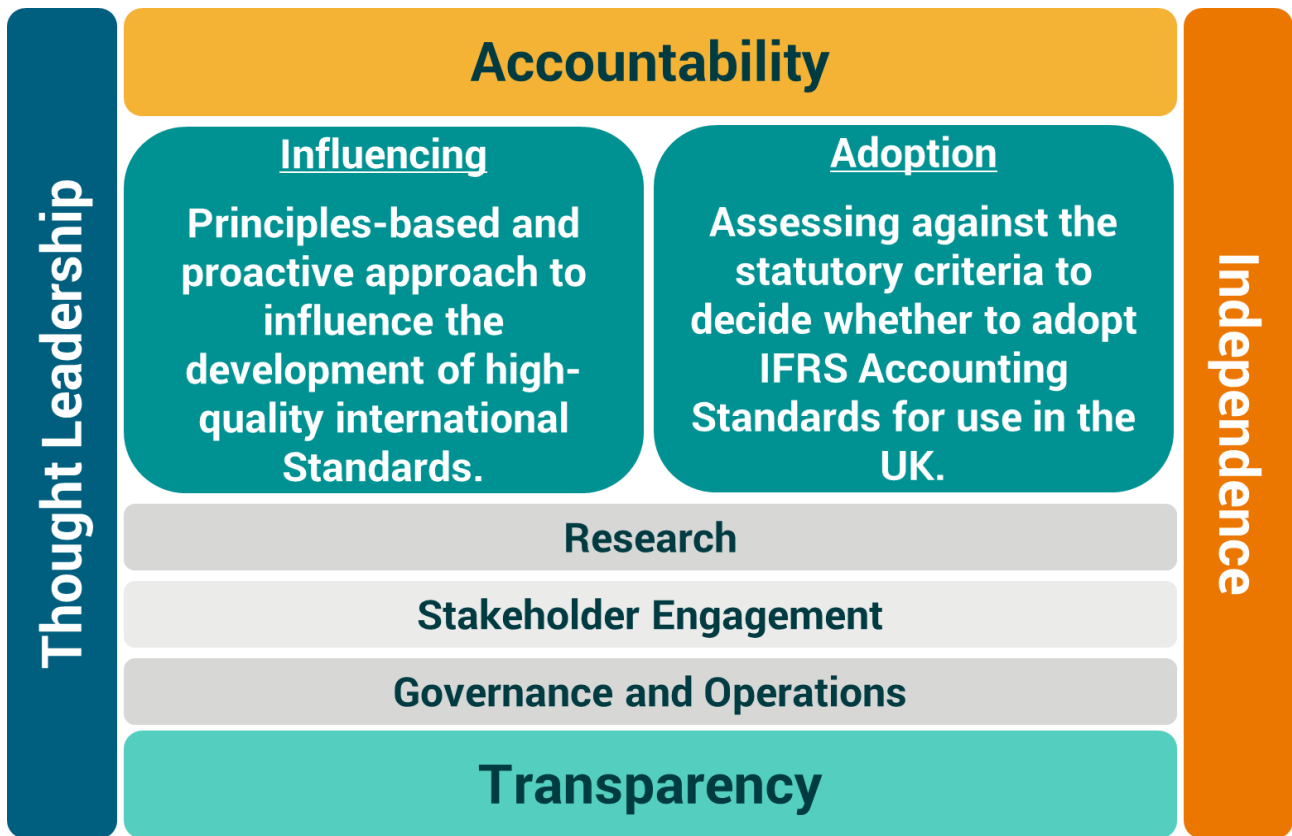
- Influence and provide thought leadership during the development of international financial reporting standards²; and
- Assess international accounting standards for adoption for use in the UK.

To facilitate the delivery of these objectives, the UKEB will:

- Conduct evidence-based research;
- Undertake stakeholder engagement; and
- Maintain a robust governance and operations framework.

More details on the UKEB's strategic objectives for 2025/28 are set out below.

² The Secretary of State for the Department of Business and Trade (DBT) requested that, in addition to its statutory responsibilities, the UKEB consider the interplay between IFRS Accounting Standards and IFRS Sustainability Disclosure Standards. As part of this additional work, a UKEB Board member sits on the UK Sustainability Disclosure Technical Advisory Committee, which is tasked with assessing the IFRS Sustainability Disclosure Standards from a technical perspective and advising the Secretary of State for Business and Trade on whether their endorsement would be conducive to the long term public good in the UK. Additionally, the UKEB Secretariat is a member of the DBT chaired Policy Implementation Committee which is tasked with coordinating the implementation of UK Sustainability Reporting Standards by the UK Government and under FCA Listing Rules.



3.2 Influencing and Thought Leadership

The UKESB's planned influencing activities for 2025/28 will continue to be flexible to address any changes to the IASB's work plan, including any changes arising from its Agenda Consultation, whilst remaining responsive to Board agenda time, staff resource constraints, and compliance with the Due Process Handbook.

The UKESB will take a principles-based, proactive and risk-based approach to influencing the IASB and other global players. This will aid the development of high-quality international accounting standards that promote transparent and comparable financial information, and the smooth functioning of capital markets. In particular, it will:

- Influence the IASB early in its standard development cycle.
- Showcase UK thought leadership and research to influence the global standard-setting debate and amplify them by highlighting the findings to the IASB and other international organisations.
- Seek to promote connectivity between IFRS Accounting Standards and IFRS Sustainability Disclosure Standards by considering the connectivity implications for IFRS Accounting Standards, arising from the issuance of IFRS Sustainability Disclosure Standards, and by influencing the work of the relevant UK and international bodies.

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- Influence the relevant bodies, including the IASB, ISSB or UK Government, as appropriate, by highlighting any emerging issues and proposing potential solutions.

3.3 Assessing International Accounting Standards for Adoption

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

- Assess new standards and amendments against the statutory adoption criteria.
- Conduct proportionate engagement with relevant stakeholders to ensure that the practical implications for UK companies, their investors and other stakeholders of implementing those standards and amendments have been appropriately established and assessed.
- Liaise with IASB board members and staff to ensure a full understanding of the technical issues and bases for conclusions.
- Seek to ensure that all material issues relevant to the assessment of the impact of the standard on the UK long term public good have been identified and assessed, including through the monitoring of other national standard setters' endorsement work.

3.4 Conducting Evidence-Based Research

The UKEB will support its influencing and adoption activities by developing evidence-based recommendations and demonstrating thought leadership on emerging issues, from a UK perspective. This will include:

- Using any relevant UK research and stakeholder feedback as key components of the UKEB's evidence-based and persuasive influencing and thought leadership activities; and
- Developing an active research programme, addressing new and emerging issues in international accounting, with a particular focus on topics included in, or likely to be included in, the IASB's long term agenda.

3.5 Undertaking Stakeholder Engagement

The UKEB's annual Work Plan allocates time to formal stakeholder engagement. In the UK, this engagement is conducted through the Board's advisory and working groups as well as outreach with other UK stakeholders, as relevant. Internationally, stakeholder engagement is undertaken through attendance at international meetings, including the UKEB's membership of the IASB's Accounting Standards Advisory Forum (ASAF), to contribute to the international standard-setting debate. On stakeholder engagement, the UKEB will:

- Engage with key stakeholder groups on a flexible and proportionate basis.

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- Further develop the UKEB’s domestic and international profile by:
 - a) working with our advisory and working groups, and other stakeholders to ensure regular and timely interaction with, and input from, UK stakeholders.
 - b) further developing our relationship with the IASB, including through active participation in ASAF.
 - c) participating in and collaborating with other international financial reporting groups, including other national standard setters, who share our goal of high-quality financial reporting.
 - d) communicating effectively with UK stakeholders, including users and preparers.

3.6 Maintaining a Robust Governance and Operations Framework

A robust governance and operations framework is key to ensuring the requisite level of support to facilitate the achievement of UKEB’s statutory functions and effective risk management. In particular, the UKEB will:

- Ensure the governance and operations framework allows it to fulfil its statutory functions and is aligned with the culture and values of the organisation.
- Maintain the independence of its technical decision-making.
- Collaborate effectively with the FRC, in its role as the UKEB’s outsourced services provider.
- Continue to seek opportunities to further enhance the UKEB’s stakeholder engagement capability.
- Maintain tight budgetary control, aligned to the Managing Public Money principles.

4. Assessing Our Impact

The UKEB will consider the following key elements when assessing the impact of implementing its strategic objectives.

4.1 Influencing and Thought Leadership

The impact of the UKEB's work to influence the development of international accounting standards will be monitored through our:

- Regular monitoring of the UKEB's impact on IASB projects;
- Contributions at international standard-setting forums, including ASAF; and
- Interaction with other stakeholders, including national and regional standard setters, bilaterally, and via contributions at formal conferences, such as the International Forum of Accounting Standard Setters.

The UKEB's work in relation to promoting connectivity will be assessed through:

- Regular monitoring of the impact of the UKEB's work and research in this area on IASB projects, and advice provided to the Secretary of State on the endorsement of ISSB standards;
- Contributions at international standard-setting forums; and
- Interaction with other stakeholders including national and regional standard setters.

4.2 Assessing International Accounting Standards for Adoption

The UK legislative framework prescribes the process for deciding whether to adopt new standards for use in the UK. It is multi-faceted, requiring consideration from technical accounting, economic, and legal perspectives. In addition, it stipulates consultation with relevant stakeholders. Adequate time will be allocated to enable: appropriate consideration of relevant UK-specific technical, economic and legal implications; project-specific outreach with relevant stakeholders; and regular engagement at Board level.

The effectiveness of the UKEB's adoption of international accounting standards will be measured through:

- Addressing key UK-specific issues raised by stakeholders during the endorsement process;
- Decisions on whether to adopt a new standard or amendment being made on a timely basis; and
- Compliance with the Due Process Handbook in delivering the technical Work Plan.

4.3 Conducting Evidence-Based Research

Key measures of the success of UKEB research work will include:

- UKEB research being showcased at international standard-setting forums, including ASAF; and
- Presentation of UKEB research during national and international conferences on corporate reporting.

4.4 Undertaking Stakeholder Engagement

Key measures of success for the UKEB's stakeholder engagement processes will include:

- Successful campaigns to recruit new candidates to the relevant advisory and working groups;
- Dialogue with, and responses from, stakeholders on UKEB's consultations;
- UKEB's collaborative work with other national standard setters; and
- Reappointment of the UKEB to ASAF.

4.5 Maintaining a Robust Governance and Operations Framework

The effectiveness of the governance and operations framework is monitored via the following core areas:

- Compliance with the Memorandum of Understanding, Terms of Reference and Service Level Agreement;
- Effective and efficient management of internal resource and outsourced services;
- Ensuring actual costs are managed in line with agreed budget/ forecast and adherence to Managing Public Money principles; and
- Identifying, mitigating and monitoring key risks that would otherwise impede the UKEB's ability to achieve its strategic objectives.

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

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

Contact Us

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Feedback Statement

UKEB Regulatory Strategy 2025/28

March 2025

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Foreword



The UK Endorsement Board is pleased to present a summary of the comments received from stakeholders on our draft 2025/28 Regulatory Strategy.

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

We expect 2025/28 to be a very busy period and we will continue to focus on the UK long term public good, balancing the needs of investors and businesses, and supporting effective and efficient capital allocation through comparable and proportionate reporting standards.

Pauline Wallace

UKEB Chair

Our purpose

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

Statutory functions:

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

Feedback statement objective



This feedback statement summarises the comments received from respondents during the UKEB's public consultation on the (Draft) 2025/28 Regulatory Strategy and explains the UKEB's position in response to those comments.

Background

The (Draft) 2025/28 Regulatory Strategy was published for consultation on 17 December 2024 and was open for comment for seven weeks, closing on 6 February 2025.

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

The Board received two comment letters, from the following respondents:

- PwC (Auditors and Accounting Firms);
- ICAEW (Professional Accountancy Bodies).

The comment letters were published on the UKEB website, and all feedback was considered when finalising the Strategy.

Summary

Respondents commended the UKEB on its achievements since its establishment and indicated broad support for the UKEB's proposed overarching strategic objectives for the 2025/28 Regulatory Strategy.

Stakeholders commented on the importance of the UKEB's work, contributing to the UK's long term public good through its influence and thought leadership during the development of new or amended international accounting standards.

Over the next 3 years, the UKEB will continue to assess its project prioritisation, its stakeholder engagement activities, and its approach to monitoring and measuring the Board's effectiveness in meeting its statutory objectives. The Board will be seeking to make improvements where possible.

Specific areas of feedback, and the UKEB's responses, are set out on the following pages.

Consultation feedback and UKEB response

	Stakeholder Comment	UKEB Response
1	<p>It would be useful to have a better understanding of how the UKEB intends to prioritise and allocate its resources to the different strands of its activities. In particular, how the UKEB prioritises the influencing, research and thought leadership projects to undertake, and the proportion of the UKEB’s resources allocated to these activities.</p>	<p>No change. The Board continuously monitors both its own Work Plan and that of the IASB to ensure it responds to changing demands. This is accompanied by an assessment of resource requirements for individual projects as well as the active Work Plan in aggregate.</p> <p>The nature of the UKEB’s statutory functions means that its Work Plan is largely derived from that of the IASB. Given the possibility of regular change to the IASB’s agenda, the Board decided that a more agile approach is to review its Work Plan at each Board meeting. The updated document is uploaded onto the UKEB website after each Board meeting, providing stakeholders with the UKEB’s forward plan for the following six months.</p> <p>In addition, the IASB is expected to launch a Request for Information on its own Agenda for the five-year period starting in 2027. The UKEB intends to publish a draft comment letter for stakeholder consultation and may also take that opportunity to consult on its own proposed research programme. That will provide stakeholders another opportunity to understand the UKEB’s areas of focus and input into the areas of research for the UK.</p>

Consultation feedback and UKEB response

	Stakeholder Comment	UKEB Response
2	<p>We have heard comments that stakeholders would appreciate clarity on which projects they can contribute to at an early ‘influencing’ stage and how they might find out about such projects. We would therefore find it useful to understand how the UKEB determines the projects for which it will undertake outreach work, at what point in a project such work will be performed, and how the Board ensures stakeholders outside its advisory and working groups are aware of opportunities to contribute.</p>	<p>No change. The UKEB will continue to look for opportunities to engage with stakeholders and welcomes their contributions at all stages of the active projects.</p> <p>The amount, nature and timing of stakeholder engagement is an important part of the Project Initiation Plan for each new project, approved by the Board and published on the UKEB website. In addition, there are a number of ways the UKEB currently notifies stakeholders about active projects. These include:</p> <ol style="list-style-type: none"> 1. The UKEB publishes a six-month Work Plan on its website, which is refreshed after each Board meeting. 2. It sends regular news-alerts to its subscribers and posts on LinkedIn about open consultations. 3. For most individual projects, the UKEB notifies various professional and membership bodies as well as the FRC to alert their members and subscribers about relevant consultations. <p>The UKEB Secretariat also regularly presents at accounting and other industry bodies’ events to raise awareness of the UKEB’s active work programme.</p>

Consultation feedback and UKEB

response

	Stakeholder Comment	UKEB Response
3	It is not clear how consideration of the 'key elements' outlined in the draft strategy might enable the UKEB to identify where it can improve its impact, or where its work is making the most significant impact (which we expect will be useful information when the UKEB decides what to prioritise). We encourage the UKEB to consider how it might use more specific indicators to assess its impact.	No change. As noted in the draft Regulatory Strategy, the UKEB monitors a range of factors when considering its impact. This includes the Board's active monitoring of the IASB's projects at each Board meeting (papers labelled 'IASB Update'), which gives the opportunity to understand the impact of its work on the decisions made at the international level. In addition, invitations to present UKEB work and research at international standard setting fora such as the IASB's Accounting Standards Advisory Forum (ASAF) and the International Forum of Accounting Standard Setters (IFASS) are clear indicators of the significant impact made by the Board.
4	It would be useful to understand how, and to what extent, the UKEB has adapted its strategy in response to its newly-gained endorsement experience.	No change. The UKEB has a continuous improvement ethos. There is regular assessment of lessons learnt and how they could be embedded strategically and at the day-to-day operational level. This is done via both Board and Secretariat level discussions, as well as the UKEB's Annual Board Effectiveness Review and Board Strategy Away Days. This is also supported by "lessons learned" sessions on major projects and a robust independent due process review function.

Disclaimer

This feedback statement has been produced in order to set out the UKEB response to stakeholder comments received on the (Draft) 2025/28 Regulatory Strategy and should not be relied upon for any other purpose.

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

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

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