

# Appendix A: Due Process Compliance Statement: Exposure Draft: Amendments to the Classification and Measurement of Financial Instruments - Proposed amendments to IFRS 9 and IFRS 7

**General UKEB requirements:** The UKEB adopts international accounting standards for use within the UK, in accordance with SI 2019/685 and applies its own processes before it decides to endorse and adopt a new or amended international accounting standard.

Exposure Draft: *Amendments to the Classification and Measurement of Financial Instruments - Proposed Amendments to IFRS 9 and IFRS 7* (the Amendments) was published on 21 March 2023. The IASB comment period ended on 19 July 2023.

Influencing process			
Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Project Preparation</b>			
<b>Technical project added to UKEB technical work plan [Due Process Handbook (DPH) [4.29]</b>	Mandatory	Project is included in the UKEB published technical work plan.	<b>Complete:</b> the Amendments were included in the UKEB technical work plans from <a href="#">July 2022</a> onwards.

<sup>1</sup> In accordance with the [Due Process Handbook](#).

Influencing process			
Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Project preparation (continued)</b>			
<b>Project Initiation Plan (PIP) [DPH 5.4 to 5.8]</b>	Mandatory	PIP draft with project outline (background, scope, project objective) and approach for influencing (key milestones and timing) proportionate to the project	<b>Complete:</b> A PIP including purpose (project objective), background, scope, and influencing approach was prepared, taking a proportionate approach to the project..  The <a href="#">PIP</a> was approved at the 27 April 2023 Board meeting.
	Mandatory	Outreach plan for stakeholders and communication approach outlined	<b>Complete:</b> this plan was outlined in the PIP. In addition the Secretariat published <a href="#">a project page</a> on the UKEB website.
	Mandatory	Resources allocated	<b>Complete:</b> two Project Directors and two Project Managers worked across this project and the <i>Post-Implementation Review of IFRS 9</i> project, as described in the PIP.

Influencing Process			
Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Project preparation (continued)</b>			
<b>Project Initiation Plan (PIP) [DPH 5.4 to 5.8]</b>	Mandatory	Assessment of whether to set up an ad-hoc advisory group	<b>Complete:</b> Assessed. An ad-hoc advisory group was not considered necessary as the Financial Instruments Working Group had the relevant knowledge and experience to take this role.
<b>PIP is approved at public meeting [DPH 5.4]</b>	Required	UKEB Board public meeting held to approve PIP	<b>Complete:</b> the PIP was approved at the 27 April 2023 Board meeting.
<b>Education sessions [DPH 4.10]</b>	Optional	Board provided with education sessions on the proposals.	<b>Complete:</b> An education session on the proposals was presented at the 27 April 2023 Private Board meeting.
<b>Desk-based research [DPH 5.9]</b>	Optional	Review of relevant documentation	<b>Complete:</b> Desk based research was undertaken and key findings reported in the PIP.

Influencing Process			
Step	Mandatory/ optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Communications</b>			
<b>Public board meetings [DPH 5.4, 5.14]</b>	Mandatory	UKEB public meetings held to discuss technical project	<p><b>Complete:</b> The Board discussed the <a href="#">Project Initiation Plan</a> (PIP), at its 27 April 2023 meeting and approved the <a href="#">draft comment letter</a> (DCL) for issue at its 18 May meeting.</p> <p>The Board discussed and approved the following documents at its 13 July 2023 meeting:</p> <ul style="list-style-type: none"> <li>• Final Comment Letter.</li> <li>• Feedback Statement.</li> <li>• Draft Due Process Compliance Statement.</li> </ul>
<b>Secretariat papers</b>	Mandatory	Board meeting papers posted and publicly available on a timely basis.	<p><b>Complete:</b> The UKEB’s April, June and July meeting papers were published on the UKEB website one week before the public meetings. Meeting minutes and recordings were made publicly available via the UKEB website. Subscribers were notified via the UKEB News Alerts.</p>

Influencing Process			
Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Communications (continued)</b>			
<b>Project webpage</b>	Optional	Project webpage contains a project description with up-to-date information on the project.	<b>Complete:</b> The project <a href="#">webpage</a> was created and updated regularly with the project status and additional materials.
<b>News Alerts [DPH A4d]</b>	Optional	Evidence that subscriber alerts have occurred	<b>Complete:</b> Subscribers were alerted via email 5 days before each Board meeting, with links to the agenda, papers and the option to dial in to observe the discussion.  A News Alert was also issued, alerting subscribers to the Draft Comment Letter publication.
<b>Outreach</b>			
<b>Outreach activities [DPH 5.11]</b>	Mandatory	Gather input from investors, preparers and accounting firms and institutes as outlined in the PIP.	<b>Complete:</b> More than 60 stakeholders, representing users of financial statements, preparers of financial statements, accounting firms and regulators were consulted during the project. Further detail can be found in the Feedback statement.

Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Preparation of Documents for public comment</b>			
<b>DCL published for comment</b> <b>[DPH 5.13 to 5.17]</b>	Generally mandatory	<a href="#">DCL</a> published on website.	<b>Complete:</b> The Secretariat published the approved <a href="#">DCL</a> on the UKEB website for a 30-day comment period from 26 May 2023 to 26 June 2023.
<b>Project finalisation and project closure</b>			
<b>FCL submitted before comment period ends. [DPH 5.18]</b>	Mandatory	Submitted before 10 March 2023 and published on UKEB website.	The FCL was approved for issue at the Board meeting on 13 July 2023.  FCL submitted to the IASB on 19 July 2023.
<b>Feedback statement and due process compliance statement for influencing stage of project</b> <b>[DPH 5.19, 5.23-5.26]</b>	Mandatory	This document and Feedback Statement published on website.	The Secretariat published the Feedback Statement and Due Process Compliance Statement on the UKEB website on 19 July 2023.

## Conclusion

This document sets out the main due process activities performed as part of the UKEB's due process to issue its comment letter on the Amendments.

This project complies with the applicable due process steps, as set out in the Handbook at the time of writing.

# Appendix B: Due Process Compliance Statement: Amendments to IAS 1 Classification of Liabilities as Current or Non-current (Amendments to IAS 1) and Non-current Liabilities with Covenants (Amendments to IAS 1)

Title of the Amendment	Issue dates
<i>Classification of Liabilities as Current or Non-current (Amendments to IAS 1) (2020 Amendments)</i>	<ul style="list-style-type: none"> <li>Exposure Draft ED/2015/1 published on 10/02/2015</li> <li>Final amendment published: 23/01/2020</li> </ul>
<i>Non-current Liabilities with Covenants (Amendments to IAS 1) (2022 Amendments)</i>	<ul style="list-style-type: none"> <li>Exposure Draft ED/2021/9 published on 19/11/2021</li> <li>Final amendment published: 31/10/2022</li> </ul>

**General UKEB requirements:** The UKEB adopts international accounting standards for use within the UK, in accordance with SI 2019/685, and applies its own processes before it decides whether to adopt a new or amended international accounting standard.

Endorsement process			
Step	Mandatory/ optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Work plan</b> [Handbook 4.30(d)]			
<b>Technical project added to UKEB</b>	Mandatory	Project is included in the UKEB published	<b>Complete:</b> The 2020 Amendments were included in the <a href="#">UKEB technical work plan published in December 2020</a> . The 2022 Amendments were

<sup>1</sup> In accordance with the [Due Process Handbook](#).



Endorsement process			
Step	Mandatory/ optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
technical work plan		technical work plan.	included in the <a href="#">UKEB technical work plan published in November 2022</a> .
<b>Project preparation [Handbook 6.12-6.16]</b>			
<b>Project Initiation Plan (PIP)</b>	Mandatory	PIP draft with project outline (background, scope, project objective) and approach for endorsement and adoption (key milestones and timing) proportionate to the project	<b>Complete:</b> Taking a proportionate approach, the Secretariat included mandatory milestones for the project and considered, as appropriate, other milestones and activities.  The PIP was approved at the 19 January 2023 Board meeting.
	Mandatory	Outreach plan for stakeholders and communication approach outlined	<b>Complete:</b> Due to the narrow-scope of the Amendments, consultation activities were focused solely on obtaining responses to the Draft Endorsement Criteria Assessment (DECA) (as posted on the UKEB website).
	Mandatory	Resources allocated	<b>Complete:</b> One project director supported by one project manager, with communications and economics team support.
	Mandatory	Assessment of whether to set up an ad-hoc advisory group	<b>Complete:</b> Assessed. Taking a proportionate approach, an ad-hoc advisory group was not considered necessary due to the narrow-scope of the Amendments.

Endorsement process			
Step	Mandatory/ optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
	Mandatory	UKEB Board public meeting held to approve PIP	<b>Complete:</b> PIP approved at the 19 January 2023 Board meeting.
	Optional	UKEB education or initial assessment	<b>Complete:</b> While an education session was not provided to the Board, the Board was given an update on the project at the <a href="#">November 2022 Board meeting</a> covering background information on the Exposure Draft (ED) proposals and on the UKEB <a href="#">Final Comment Letter</a> (FCL) to the 2022 Amendments, including an update on the IASB's subsequent redeliberations.
Communications			
<b>Public board meetings</b> [Handbook 4.10]	Mandatory	UKEB Board public meetings held to discuss technical project	<p><b>Complete.</b></p> <p>The Secretariat gave an update to the Board at the November 2022 meeting.</p> <p>19 January 2023: the Board approved the <a href="#">PIP</a>.</p> <p>23 February 2023: the Board reviewed and approved the <a href="#">DECA</a> for consultation.</p> <p>22 June 2023: the Board discussed the formal responses received for DECA.</p> <p>13 July 2023: Approval of the Adoption Package consisting of:</p> <ul style="list-style-type: none"> <li>• Final Endorsement Criteria Assessment (ECA);</li> </ul>

Endorsement process			
Step	Mandatory/ optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
			<ul style="list-style-type: none"> <li>• Feedback Statement;</li> <li>• [Draft] Due Process Compliance Statement; and</li> <li>• [Draft] Adoption Statement for the Amendments</li> </ul>
<b>Secretariat papers</b> [Handbook 4.20]	Mandatory	Board meeting papers posted and publicly available on a timely basis.	<p><b>Complete:</b> The UKEB meeting papers were published on the UKEB website one week before the relevant public meetings and subscribers notified via UKEB News Alerts.</p> <p>Meeting minutes and recordings were made publicly available via the UKEB website. Subscribers were notified via UKEB News Alerts.</p>
<b>Project website</b> [Handbook 4.25(b)]	Mandatory	Project website contains a project description with up-to-date information on the project.	<b>Complete:</b> A <a href="#">project webpage</a> including a project description was created. It was updated regularly with project status and additional materials.
	Mandatory	Update UKEB website	<b>Complete:</b> Project webpage updated regularly, and News Alerts issued to subscribers with latest status and documents.
<b>Alerts</b> [Handbook 4.24]	Mandatory	Evidence that subscriber alerts have occurred	<p><b>Complete:</b> Subscribers were alerted via email 5 days before each Board meeting with links to the agenda, papers and the option to dial in to observe the discussion.</p> <p>News Alerts were also issued, alerting subscribers to the DECA</p>

Endorsement process			
Step	Mandatory/ optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
			publication and adoption of the Amendments
	Mandatory	Project email address	A general UKEB email address was used for outreach and correspondence purposes throughout the duration of the project.
Desk-based research [Handbook 6.17]			
	Optional	Identify relevant research sources and documents	<p><b>Complete:</b> The Secretariat has reviewed:</p> <ul style="list-style-type: none"> <li>• The IASB's work on the Amendments (mainly staff papers and the IFRIC Agenda Decision including discussion with IASB staff)</li> <li>• The Big 4 accounting manuals and separate publications on the Amendments for any guidance and illustrative examples</li> <li>• The IASB's Basis for Conclusions and Dissenting Opinion</li> <li>• Comment letters on the ED received by the IASB from UK stakeholders including the UKEB</li> <li>• Previous work done by the Secretariat (FCL, Feedback Statement, comment letters on our DCL)</li> </ul>
Outreach activities [Handbook 6.18-6.22]			
<b>Consult with a representative</b>	Mandatory	Evidence of consultation	<b>Complete:</b> Due to the narrow-scope of the Amendments, consultation

Endorsement process			
Step	Mandatory/ optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
range of stakeholders before adoption			<p>activities were focused on obtaining responses to the Draft Endorsement Criteria Assessment (DECA). The UKEB received eight comment letters.</p> <p>Comment letters are available on the UKEB website.</p>
Draft Endorsement Criteria Assessment (DECA) [Handbook 6.23-6.29]			
	Mandatory	UKEB sets comment period for response on DECA (generally not less than 90 days)	<p><b>Complete:</b> At 19 January 2023 Board meeting the Board decided that the comment period for public consultation should be no less than 90 days and approved the overall project plan.</p> <p>The DECA was published for consultation on 9 March 2023 (comment period deadline 8 June 2023).</p>
	Mandatory	Review and approval at UKEB public meeting	<p><b>Complete:</b> Approved at 23 February 2023 Board meeting.</p>
	Mandatory	DECA posted on website for public consultation	<p><b>Complete:</b> The Secretariat published the approved <a href="#">DECA</a> and <a href="#">Invitation to Comment</a> on the UKEB website for a 91-day consultation period from 9 March 2023 to 8 June 2023.</p>
	Mandatory	News Alert to announce publication	<p><b>Complete:</b> News Alert posted on 9 March 2023 and 31 May 2023 calling for comments and link to the DECA was sent out to UKEB advisory groups.</p>

Endorsement process			
Step	Mandatory/ optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Project closure [Handbook 6.30-6.48]</b>			
<b>Final Endorsement Criteria Assessment (ECA)</b>	Mandatory	Public responses on DECA assessed and posted on website	<b>Complete:</b> The UKEB received eight comment letters which were published on the UKEB website. All responses were assessed, reflected as appropriate in the ECA and summarised in the feedback statement.
	Mandatory	Final ECA approved by UKEB in public meeting	<b>Complete:</b> A draft of the ECA was presented for approval to the Board at its July 2023 public meeting. The Board approved final ECA, subject to suggested amendments.
	Mandatory	Publish final ECA on UKEB website	<b>Complete:</b> Final ECA published on 24 July 2023.
<b>Feedback statement</b>	Mandatory	Feedback statement approved by UKEB in public meeting	<b>Complete:</b> A draft of the feedback statement was presented for approval to the Board at its July 2023 public meeting. The Board approved the final feedback statement, subject to suggested amendments.
	Mandatory	Feedback statement posted on UKEB Website	<b>Complete:</b> Final feedback statement published on 24 July 2023.
	Mandatory	News Alert published to announce publication	<b>Complete:</b> News Alerts announcing the adoption of the Amendments published on 24 July 2023.

Endorsement process			
Step	Mandatory/ optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
Due Process Compliance Statement (DPCS)	Mandatory	Due Process Compliance Statement approved by UKEB in public meeting	<b>Complete:</b> A [draft] DPCS was presented for approval to the Board at its July 2023 public meeting. The final DPCS presented for noting at the Board's September 2023 meeting.
	Mandatory	Due Process Compliance Statement posted on UKEB Website	<b>Complete:</b> The final DPCS published on the UKEB website subsequent to the September 2023 Board meeting.
Adoption Statement	Mandatory	Adoption statements approved by UKEB in public meeting	<b>Complete:</b> Adoption statement for the Amendments was presented for approval to the Board at its July 2023 public meeting
	Mandatory	Adoption statements posted on UKEB Website	<b>Complete:</b> Final Adoption Statement of the Amendments published on 24 July 2023.
	Mandatory	News Alert published to announce publication	<b>Complete:</b> News Alert announcing the adoption of the Amendments published on 24 July 2023.
Voting on adoption of the Amendments	Mandatory	Tentative vote	<b>Complete:</b> Tentative vote took place at the July Board meeting based on the discussion of the 'adoption package', which includes a draft final ECA, a draft feedback statement, a draft DPCS, a draft adoption statement for the Amendments; and the text of the UK-adopted international

Endorsement process			
Step	Mandatory/ optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
			accounting standard (Amendments to IAS 1). Vote was indicative only.
	Mandatory	Evidence of written vote (in paper or electronic form)	<b>Complete:</b> Adoption statement and voting forms sent to the Board for voting (accompanied by the text of the Amendments to be adopted) on 14/7/23 (written forms due by 21/7/23).  Vote formalised via Board members signing the formal voting forms for the Amendments.
	Mandatory	News Alert published to announce the outcome of the vote within 3 working days of the formal vote	<b>Complete:</b> News Alert announcing the adoption of the Amendments published on 24 July 2023.

**Conclusion**

This document sets out the main due process activities performed as part of the UKEB’s project to endorse the Amendments. Overall, this project complies with the applicable due process steps, as set out in the Handbook at the time of writing.



# Appendix C: Due Process Compliance Statement: *International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)*

Title of the Amendments	Issue dates
<i>International Tax Reform–Pillar Two Model Rules (Amendments to IAS 12)</i>	<ul style="list-style-type: none"> <li>Exposure Draft ED/2023/01 published on 9 January 2023</li> <li>Final amendments published 23 May 2023</li> <li>Temporary mandatory exception effective immediately and retrospectively; targeted disclosure requirements effective for annual periods beginning on or after 1 January 2023.</li> </ul>

**General UKEB requirements:** The UKEB adopts international accounting standards for use within the UK, in accordance with SI 2019/685, and applies its own processes before it decides to endorse and adopt a new or amended international accounting standard.

Endorsement process			
Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Project preparation</b>			
<b>Added to UKEB technical work plan [Due Process Handbook (Handbook) [4.29]</b>	Mandatory	Project is included in the UKEB published technical work plan.	<b>Complete:</b> the Amendments were included in the UKEB technical work plan published in <a href="#">December 2022</a> .

<sup>1</sup> In accordance with the [Due Process Handbook](#).

Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Project preparation (continued)</b>			
<b>Project Initiation Plan (PIP) [Handbook 6.12 to 6.16]</b>	Mandatory	PIP draft with project outline (background, scope, project objective) and approach for endorsement (key milestones and timing) proportionate to the project	<p><b>Complete:</b> taking a proportionate approach, the Secretariat included mandatory milestones for the project and considered, as appropriate, other milestones and activities.</p> <p>The <a href="#">PIP</a> was approved at the 23 February 2023 Board meeting. The PIP combined the influencing and endorsement phases of the project, as this was an urgent project run to a tight timetable.</p>
	Mandatory	Outreach plan for stakeholders and communication approach outlined	<p><b>Complete:</b> Due to the narrow-scope nature of the Amendments, consultation activities were focused on obtaining responses to the Draft Endorsement Criteria Assessment (DECA) as well as consulting with advisory groups on the balance of costs and benefits of the Amendments.</p>
	Mandatory	Resources allocated	<p><b>Complete:</b> one project manager supported and overseen by one senior project director, with communications and economics team support.</p>

Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Project preparation (continued)</b>			
<b>Project Initiation Plan (PIP) [Handbook 6.12 to 6.16]</b>	Mandatory	Assessment of whether to set up an ad-hoc advisory group	<b>Complete:</b> assessed. Taking a proportionate approach, an ad-hoc advisory group was not considered necessary due to the narrow scope nature of the Amendments.
	Mandatory	UKEB Board public meeting held to approve PIP	<b>Complete:</b> the PIP was approved at the 23 February 2023 Board meeting.
	Optional	UKEB education or initial assessment	<b>Complete:</b> The Board was provided with an <a href="#">update</a> on the project at the 27 April 2023 Board meeting, which covered the IASB's 11 April 2023 discussion and its tentative decisions taken on the IASB staff proposals in the light of feedback received on the Exposure Draft.
<b>Communications</b>			
<b>Public board meetings [Handbook 4.10]</b>	Mandatory	UKEB public meetings held to discuss technical project	<b>Complete:</b> The Board approved the <a href="#">Project Initiation Plan</a> (PIP) at its 23 February 2023 meeting. It approved the draft ECA for consultation at its 22 June meeting.  The Board approved the Adoption Package, consisting of the final Endorsement Criteria Assessment (ECA), the Feedback Statement, the [draft] Due Process Compliance Statement and the Adoption Statement for the Amendments, at its meeting on 13 July 2023.

Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Communications (continued)</b>			
<b>Secretariat papers [Handbook 4.20]</b>	Mandatory	Board meeting papers posted and publicly available on a timely basis.	<p><b>Complete:</b> The UKEB’s June meeting papers were published on the UKEB website one week before the public meetings. Meeting minutes and recordings were made publicly available via the UKEB website. Subscribers were notified via the UKEB News Alerts.</p> <p>However, to ensure the Board could reach an adoption decision in sufficient time to permit preparers with June interims to use the temporary mandatory exception from deferred tax accounting in relation to Pillar Two if the Amendments were adopted, the Board sanctioned a shortened (14-day) comment period for the draft comment letter (DCL) from 26 June 2023 to 10 July 2023.</p> <p>In accordance with handbook paragraph 4.20, the delivery of a late paper to the 13 July meeting was agreed in public at the 23 February 2023 Board meeting.</p>
<b>Project webpage [Handbook 4.25(b)]</b>	Mandatory	Update UKEB website	<b>Complete:</b> The project webpage has been updated regularly on a timely basis.

Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Communications (continued)</b>			
<b>Subscriber alerts</b> [Handbook 4.24]	Mandatory	Evidence that subscriber alerts have occurred	<p><b>Complete:</b> Subscribers were alerted via email 5 days before each Board meeting, with links to the agenda, papers and the option to dial in to observe the discussion.</p> <p>A News Alert was issued, alerting subscribers to the publication of the DECA.</p> <p>As agreed by the Board, for the 13 July meeting, subscribers were alerted to the meeting and agenda 5 days beforehand and to the fact that papers would be issued no later than Tuesday 11 July (2 days before the meeting).</p>
<b>Desk-based research</b>			
<b>Desk-based research</b> [Handbook 6.17]	Optional	Review of relevant documentation	<p><b>Complete:</b> the Secretariat has reviewed:</p> <ul style="list-style-type: none"> <li>• The IASB’s work on the Amendments (staff papers, ED);</li> <li>• The Basis for Conclusions to the ED and Dissenting Opinion;</li> <li>• Comment letters on the ED received by the IASB from UK stakeholders including the UKEB;</li> <li>• Other standard-setters’ views; and</li> <li>• Accounting manuals and press releases for guidance and illustrative examples.</li> </ul>

Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Outreach</b>			
<b>Consult with a representative range of stakeholders prior to adoption [Handbook 6.18 to 6.21]</b>	Mandatory	Evidence of consultation	<p>Due to the narrow-scope nature of the Amendments, consultation activities were focused on consultation with advisory groups and obtaining responses to the Draft Endorsement Criteria Assessment (DECA). The UKEB received seven comment letters.</p> <p>The comment letters received were published on the UKEB website.</p>
<b>Draft Endorsement Criteria Assessment (DECA)</b>			
<b>DECA [6.23 to 6.29]</b>	Mandatory	UKEB sets comment period for response of DECA	<p><b>Complete:</b> Given the urgency of the Amendments, at its 23 February 2023 meeting, the Board decided that the comment period for public consultation should be 14 days and approved the overall project plan, subject to confirmation by the <a href="#">28 March 2023 meeting</a> of the Preparer Advisory Group and the <a href="#">30 March 2023 meeting</a> of the Accounting Firms and Institutes Advisory Group that their previous advice, i.e. that an accelerated timetable was required, had not changed. Both groups confirmed that their advice remained the same.</p> <p>The DECA was published for consultation on 26 June 2023 (comment period deadline: 10 July 2023).</p>

Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Draft Endorsement Criteria Assessment (DECA) (continued)</b>			
<b>DECA [6.23 to 6.29] (continued)</b>	Mandatory	Review and approval at the UKEB public meeting	<b>Complete:</b> Reviewed and approved at the Board meeting on 22 June 2023.
	Mandatory	DECA posted on website for public consultation	<b>Complete:</b> The Secretariat published the approved DECA and Invitation to Comment on the UKEB website for a 14-day consultation period from 26 June 2023 to 10 July 2023.
	Mandatory	News Alert to announce publication	<b>Complete:</b> A News Alert was published on 26 June 2023 calling for comments. A link to the DECA was sent out to the UKEB advisory groups.
<b>Project finalisation and project closure</b>			
<b>Final Endorsement Criteria Assessment (ECA) [Handbook 4.25(e)]</b>	Mandatory	Public responses on DECA assessed and posted on website	<b>Complete:</b> The UKEB received 7 comment letters which were published on the UKEB website.  All responses were assessed, reflected as appropriate in the final ECA and summarised in the Feedback Statement.

Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Project finalisation and project closure (continued)</b>			
<b>Final Endorsement Criteria Assessment (ECA) [Handbook 6.40 to 6.48] (continued)</b>	Mandatory	Final ECA approved by the UKEB in public meeting	<b>Complete:</b> A draft of the final ECA was presented for approval to the Board at its 13 July 2023 public meeting. The Board approved the final ECA, subject to suggested amendments.
	Mandatory	Publish final ECA on the UKEB website	<b>Complete:</b> The final ECA was published on the UKEB website on 19 July 2023.
<b>Feedback Statement [Handbook 6.33 to 6.48]</b>	Mandatory	Feedback Statement approved by the UKEB in a public meeting	<b>Complete:</b> A draft of the Feedback Statement was presented for approval to the Board at its 13 July 2023 public meeting. The Board approved the final Feedback Statement, subject to editorial changes.
	Mandatory	Feedback Statement posted on the UKEB website	<b>Complete:</b> The final Feedback Statement was published on the UKEB website on 19 July 2023.
	Mandatory	News alert published to announce publication	<b>Complete:</b> A News Alert announcing publication of the Feedback Statement was published on 19 July 2023.



Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Project finalisation and project closure (continued)</b>			
<b>Due Process Compliance Statement (DPCS) [Handbook 6.37 to 6.39]</b>	Mandatory	DPCS approved by the UKEB in public meeting	<b>Complete:</b> A [draft] DPCS was presented for approval to the Board at its 13 July 2023 public meeting. [A final DPCS was presented for noting at the Board's 21 September 2023 meeting.]
	Mandatory	DPCS posted on the UKEB website	[ <b>Complete:</b> The final DPCS was published on the UKEB website after the September 2023 Board meeting.]
<b>Adoption Statement [Handbook 6.40 to 6.48]</b>	Mandatory	Adoption Statement approved by the UKEB in public meeting	<b>Complete:</b> The Adoption Statement for the Amendments was approved by the Board at its 13 July 2023 public meeting subject to editorial amendments.
	Mandatory	Adoption Statement posted on the UKEB website	<b>Complete:</b> The final Adoption Statement for the Amendments was published on 19 July 2023.
	Mandatory	News Alert published to announce publication	<b>Complete:</b> The News Alert announcing adoption of the Amendments was published on 19 July 2023.

Step	Mandatory / optional <sup>1</sup>	Metrics or evidence	UKEB Secretariat comments
<b>Project finalisation and project closure (continued)</b>			
<b>Voting on adoption of the Amendments [Handbook 6.42 to 6.48]</b>	Mandatory	Tentative vote	<b>Complete:</b> A tentative vote took place at the 13 July Board meeting based on the discussion of the Adoption Package, which included the final draft ECA, the Feedback Statement, the DPCS, the draft Adoption Statement for the Amendments and the text of the UK-adopted international accounting standard <i>International Tax Reform – Pillar Two Model Rules</i> (Amendments to IAS 12). The vote was indicative only.
	Mandatory	Evidence of written vote (in paper or electronic form)	<b>Complete:</b> The Adoption Statement and voting forms were sent to the Board for voting (accompanied by the text of the Amendments to be adopted) on 14 July 2023 (written forms due by 19 July 2023). The vote was formalised via Board members signing the formal voting forms for the Amendments.
	Mandatory	News Alert published to announce the outcome of the vote within 3 working days of the formal vote	<b>Complete:</b> The News Alert announcing adoption of the Amendments was published on 19 July 2023.

## Conclusion

This document sets out the main due process activities performed as part of the UKEB's project to endorse the Amendments. To meet the timeline for endorsement required by stakeholders, the DECA was issued for a 14-day comment period, which complies with the requirement set out in the Handbook paragraph 6.29.

In the Board's opinion, overall, this project complies with the applicable due process steps, as set out in the Handbook at the time of writing.

# Appendix D: ISSB Request for Information (RFI) Consultation on Agenda Priorities —Due Process Compliance Statement

Influencing process: ISSB RFI <i>Consultation on Agenda Priorities</i>			
Step	Mandatory/ Optional	Metrics or evidence	UKEB Secretariat comments
<b>ISSB's due process document</b>			
ISSB RFI		Published: 04/05/2023 Comment deadline: 01/09/2023	n/a
<b>Project preparation</b>			
Technical project added to UKEB technical work plan [Due Process Handbook (Handbook) 4.30(b)]	Mandatory	Project is included in the published technical UKEB Work Plan	Included in the <a href="#">UKEB technical work plan published in May 2023</a> .
Project Initiation Plan (PIP) [Handbook 5.4 to 5.8 and 5.13 to 5.14]	Mandatory	PIP draft with project outline (background, scope, project objective) and approach for influencing (key milestones and timing)	The Secretariat included mandatory milestones for the project and considered, as appropriate, other milestones and activities.  The <a href="#">PIP</a> was approved by UKEB at 18/05/23 meeting.

Influencing process: ISSB RFI <i>Consultation on Agenda Priorities</i>			
Step	Mandatory/ Optional	Metrics or evidence	UKEB Secretariat comments
		proportionate to the project	
		Outreach plan for stakeholders and communication approach outlined	Engagement with UKEB Advisory and Working Groups on both the ISSB Rfi and the Draft Comment Letter (DCL).  The Secretariat also proposed a round table discussion with the UKEB Sustainability Working Group.  Engagement on the DCL with industry and user representative bodies.
		Resources allocated	Two project directors and an assistant project manager.
Project Initiation Plan (PIP) [Handbook 5.4 to 5.8 and 5.13 to 5.14] (continued)	Mandatory	Assessment of whether to set up an ad-hoc advisory group	The UKEB <a href="#">Sustainability Working Group</a> had already been established.
PIP is approved at public meeting [Handbook 5.4]	Mandatory	UKEB Board public meeting held to approve PIP	Approved at 18/05/23 UKEB public board meeting.
Education sessions [Handbook 4.10]	Optional	UKEB Education or initial assessment	n/a
Desk-based research [Handbook 5.9]	Optional	Review of relevant documentation	The following research was developed and considered:

<b>Influencing process: ISSB RFI <i>Consultation on Agenda Priorities</i></b>			
<b>Step</b>	<b>Mandatory/ Optional</b>	<b>Metrics or evidence</b>	<b>UKEB Secretariat comments</b>
			<ul style="list-style-type: none"> <li>• UKEB research reports                             <ul style="list-style-type: none"> <li>i. Climate-Related Matters Summary of Connectivity Research</li> <li>ii. Analysis of 2022 Annual Reports</li> </ul> </li> <li>• UKEB staff connectivity papers                             <ul style="list-style-type: none"> <li>i. Asset recognition, measurement, and impairment</li> <li>ii. Liabilities and Provisions</li> <li>iii. Fair Value Measurement</li> </ul> </li> <li>• Discussion with the UKEB National Standard Setters Sustainability Forum<sup>1</sup></li> </ul>
<b>Communications</b>			
Public board meetings	Mandatory	UKEB Board public meetings held to discuss technical project	PIP approved at 18/05/23 Board meeting. DCL approved at 22/06/23 Board meeting. Final Comment Letter approved at 2/08/23 Board meeting
Secretariat papers	Mandatory	UKEB Board meeting papers posted and made publicly available on a timely basis.	UKEB Board meeting papers were published on the UKEB website one week before the public meetings. Meeting minutes and recordings were made publicly available via the UKEB website. Advisory and Working Group minutes were made publicly

<sup>1</sup> [UKEB National Standard Setters Forum](#)

Influencing process: ISSB RFI <i>Consultation on Agenda Priorities</i>			
Step	Mandatory/ Optional	Metrics or evidence	UKEB Secretariat comments
			available on the UKEB website. Subscribers were notified via the UKEB LinkedIn posts and News Alerts.
Project webpage	Optional	Project webpage contains a project description with up-to-date information on the project	The project <a href="#">webpage</a> was created in May 2023. It was updated regularly with the project status and additional materials.
News Alerts [Handbook A4d]	Optional	Evidence that subscriber alerts have occurred	Subscribers were alerted, via email, 5 days before each Board meeting, provided with links to the agenda, papers and given the option to dial in to observe the discussion.  News Alerts were also issued alerting subscribers to the UKEB Consultation on its DCL for ISSB RFI and publication of the Final Comment Letter.
Outreach activities			
Outreach activities [Handbook 5.11 – examples of outreach activities included at A4 and of fieldwork, a subset of	Mandatory	Gather input from investors, preparers and accounting firms and institutes, as outlined in the PIP.	Activities included: <ul style="list-style-type: none"> <li>• Obtaining input from a roundtable discussion of the UKEB Sustainability Working Group on 29 June 2023<sup>2</sup>;</li> <li>• Obtaining input from UKEB Advisory Group members;</li> <li>• Requesting feedback via an Invitation to Comment</li> </ul>

<sup>2</sup> UKEB Sustainability Working Group [round table minutes](#) (29 June 2023)

Influencing process: ISSB RFI <i>Consultation on Agenda Priorities</i>			
Step	Mandatory/ Optional	Metrics or evidence	UKEB Secretariat comments
outreach, at A7]			document via the UKEB website; and <ul style="list-style-type: none"> <li>Obtaining feedback from The Investment Association, UK Finance and the Association of British Insurers.</li> </ul>
UKEB Draft Comment Letter			
Draft comment letter (generally mandatory) [Handbook paragraphs 5.13 to 5.17]	Mandatory	Draft comment letter approved for publication at UKEB Board public meeting	The <a href="#">DCL</a> was approved at the UKEB Board meeting on 22/06/23.
	Mandatory	Draft comment letter, including deadline for responses, posted on UKEB Website for public consultation	The DCL was published on 23/06/23 for a 30-day public comment period, ending on 23/07/23.
	Mandatory	News Alert issued to announce publication of the DCL	DCL publication announced via a UKEB News Alert on 23/06/03.
	[Handbook paragraphs 5.19 and 5.23]	Public responses on draft comment letter posted on website	Five comment letters were received from <a href="#">CFA UK</a> , <a href="#">Emerging Technologies Sustainability Taskforce</a> , <a href="#">KPMG</a> , <a href="#">PwC</a> and an <a href="#">individual</a> were all published on the project web page on the UKEB website.



Influencing process: ISSB RFI <i>Consultation on Agenda Priorities</i>			
Step	Mandatory/ Optional	Metrics or evidence	UKEB Secretariat comments
<b>UKEB final comment letter</b>			
Final comment letter (FCL) submitted before comment period ends. [Handbook paragraph 5.18]	Mandatory	Final comment letter approved for publication at UKEB Board public meeting.	The Final Comment Letter (FCL) was approved at the UKEB Board meeting on 2/08/23.
	Mandatory	Publish final comment letter on UKEB website and submit to ISSB	The <a href="#">FCL</a> was published on 11/08/23.
	Mandatory	News Alert issued to announce publication	A <a href="#">news alert</a> was published on 11/08/23.
<b>Finalisation</b>			
Feedback statement [Handbook paragraphs 5.19 to 5.22]	Mandatory	Draft Feedback Statement for discussion and review at UKEB Board public meeting	The Feedback Statement (FS) was approved at the UKEB Board meeting on 2/08/23.
	Mandatory	Feedback Statement posted on UKEB Website	The <a href="#">FS</a> was published on 11/08/23.
	Mandatory	News Alert issued to announce	A <a href="#">news alert</a> was published on 11/08/23.

Influencing process: ISSB RFI <i>Consultation on Agenda Priorities</i>			
Step	Mandatory/ Optional	Metrics or evidence	UKEB Secretariat comments
		publication	
Due process compliance Statement (DPCS) [Handbook paragraphs 5.23 to 5.26]	Mandatory	Due Process Compliance Statement approved by UKEB in public meeting	A [draft] DPCS was presented for approval to the Board at its August 2023 public meeting. The final DPCS presented for noting at the Board's September 2023 meeting.
	Mandatory	Due Process Compliance Statement posted on UKEB Website	The final DPCS published on the UKEB website subsequent to the September 2023 Board meeting.

Conclusion
This document sets out the main due process activities performed as part of the UKEB's project. Overall, this project complies with the applicable due process steps, as set out in the Handbook at the time of writing.

## Appendix E: ISSB General Update

### ISSB

#### July meeting

- E1. The International Sustainability Standards Board (ISSB) met virtually<sup>1</sup> on 27 July 2023 to discuss the next steps for researching targeted enhancements to the ISSB Standards.
- E2. The ISSB requested the staff to develop guidance for IFRS S2 Climate-related Disclosures in relation to 'climate adjacent' risks and opportunities. Staff will develop educational material regarding nature and the 'just transition' to a lower carbon economy.
- E3. It was noted that, per the IFRS Foundation Due Process Handbook, neither educational material nor guidance would amend any requirements in IFRS S2.
- E4. The ISSB will discuss the proposed educational material at a future meeting.

#### September meeting

- E5. The ISSB will meet in Montreal, Canada on 14 September to discuss the International Applicability of SASB Standards. Staff have prepared a high-level PowerPoint summary of feedback from the public comment period for the methodology exposure draft<sup>2</sup>.
- E6. The presentation noted that the balance of feedback was supportive of the methodology and associated timeline. It was also noted that there are several additional actions for the SASB Board Advisory Group to consider outside the scope of the exposure draft and that next steps would be informed by the outcome of the Agenda Priorities consultation.

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<sup>1</sup> [ISSB Update July 2023 Foundational Work—Researching targeted enhancements to ISSB Standards—Path forward Agenda reference: 9](#)

<sup>2</sup> International Applicability of SASB Standards - [Project update: results of recent comment period](#)

## ISSB standards

- E7. The International Organization of Securities Commissions (IOSCO) announced<sup>3</sup> its endorsement of both ISSB Standards.
- E8. The ISSB published<sup>4</sup> the Proposed IFRS Sustainability Disclosure Taxonomy for public comment. The ISSB will review feedback on the proposals in the second half of 2023 and aims to issue the final digital taxonomy early in 2024.
- E9. A webcast<sup>5</sup> by Linda Mezon-Hutter, Vice-Chair of the International Accounting Standards Board (IASB) and Sue Lloyd, Vice-Chair of the ISSB has been published which discusses connections between financial statements and sustainability-related financial disclosures and in the work of the two boards.
- E10. Following the publication of European Sustainability Reporting Standards (ESRS), the European Commission, European Financial Reporting Advisory Group (EFRAG) and the ISSB provided an update<sup>6</sup> on their discussions around alignment and interoperability. The organisations noted that there is a 'very high degree of alignment, reduced complexity and duplication for entities wishing to apply both the ISSB Standards and ESRS'.

## IFRS Foundation updates

- E11. Following publication of the inaugural ISSB Standards IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2, the Financial Stability Board (FSB) requested the IFRS Foundation to take over the monitoring<sup>7</sup> of companies' progress on climate-related disclosures from the Task Force on Climate-related Financial Disclosures (TCFD).
- E12. The IFRS Foundation has published<sup>8</sup> a comparison of the requirements in IFRS S2 and the TCFD recommendations. Companies that apply the ISSB Standards will now meet the TCFD recommendations.
- E13. The Foundation also published a high-level roadmap<sup>9</sup> providing transparency around the IFRS Foundation and the ISSB's strategy to support jurisdictional adoption. The document is a precursor to an Adoption Guide<sup>10</sup> for regulators, which will be finalised later in 2023.

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<sup>3</sup> [IFRS Sustainability Disclosure Standards endorsed by international securities regulators](#)

<sup>4</sup> [ISSB consults on proposed digital taxonomy to improve global accessibility and comparability of sustainability information](#)

<sup>5</sup> [Webcast on connections between accounting and sustainability disclosures](#)

<sup>6</sup> [European Commission, EFRAG and ISSB confirm high degree of climate-disclosure alignment](#)

<sup>7</sup> [IFRS Foundation welcomes culmination of TCFD work and transfer of TCFD monitoring responsibilities to ISSB from 2024](#)

<sup>8</sup> [IFRS Foundation publishes comparison of IFRS S2 with the TCFD Recommendations](#)

<sup>9</sup> [Cover note: Adoption Guide overview](#)

<sup>10</sup> [The jurisdictional journey towards implementing IFRS S1 and IFRS S2 – Adoption Guide overview](#)

E14. On 4 September 2023, the Chair of the IFRS Foundation Trustees and the IASB and ISSB Chairs attended their annual meeting with the Committee on Economic and Monetary Affairs (ECON) of the European Parliament<sup>11</sup>. Questions from Parliamentarians covered topics including: differences between ISSB standards and ESRS and the associated challenges and costs for EU companies ; cooperation with EFRAG; whether ESG matters are reflected in ASB standards; and, whether there is a risk of overregulation.

## UK updates

E15. The Financial Conduct Authority (FCA) announced a delay<sup>12</sup> to the publication of its policy statement on Sustainability Disclosure Requirements until the last quarter of the 2023.

E16. The Department for Business and Trade (DBT) announced that the Secretary of State for Business and Trade will consider the endorsement of the ISSB Sustainability Disclosure Standards<sup>13</sup> in the UK by July 2024.

E17. The Financial Reporting Council (FRC), in its role as Secretariat to the UK Sustainability Disclosure TAC, has issued<sup>14</sup> a call for evidence to inform the proposed endorsement of the IFRS Sustainability Disclosure Standards in the UK. The deadline to submit responses is 11 October 2023.

E18. The FRC Lab has published<sup>15</sup> a report titled “ESG Data Distribution and Consumption” examining how investors collect and use environmental, social and governance (ESG) data on companies.

E19. The FRC has also published a thematic review<sup>16</sup>, which assesses the quality and maturity of climate-related metrics and targets disclosures.

E20. The Taskforce for Nature-related Disclosures (TNFD) intends to launch its final recommendations on 18 September 2023<sup>17</sup>.

E21. The Transition Plan Taskforce (TPT) also plans to publish a final Disclosure Framework in October 2023<sup>18</sup>. At the same time TPT will publish an initial version of the Implementation Guidance with a final version by February 2024.

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<sup>11</sup> [Annual ECON exchange of views with representatives of the IFRS Foundation](#)

<sup>12</sup> [FCA delays SDR until Q4 this year](#)

<sup>13</sup> [Guidance UK Sustainability Disclosure Standards](#)

<sup>14</sup> [UK Sustainability Disclosure TAC issues call for evidence](#)

<sup>15</sup> [FRC Lab publishes report on ESG data use and distribution](#)

<sup>16</sup> [FRC thematic review examines quality of climate-related metrics and targets disclosures](#)

<sup>17</sup> [TNFD Recommendations Launch Webinar](#)

<sup>18</sup> [Building momentum for transition plans](#)

## International Updates

- E22. The European Commission has issued<sup>19</sup> the European Sustainability Reporting Standards (ESRS) which come into effect in 2024. EFRAG has published<sup>20</sup> a mapping table that assesses the interoperability between ESRS 2 *General Disclosures* and ESRS E1 *Climate* and IFRS S1 & S2.
- E23. EFRAG and GRI have published a joint statement confirming that have achieved a high level of interoperability<sup>21</sup> between their respective standards.
- E24. Canadian Securities Administrators (CSA) indicated<sup>22</sup> that its staff intend to conduct further consultations with the Canadian Sustainability Standards Board (CSSB) to adopt disclosure standards based on ISSB Standards, with modifications considered necessary and appropriate in the Canadian context.
- E25. The environmental law charity Client Earth has sent<sup>23</sup> a letter to the Global Public Policy Committee alleging that senior managers at the world's six largest accounting firms are failing to ensure that climate change is adequately addressed in financial reports and audits.
- E26. The US Securities and Exchange Commission (SEC) may amend existing rules requiring organisations to make climate-related disclosures in their registration statements and annual reports. The revised requirements are now anticipated by October<sup>24</sup>.

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<sup>19</sup> [The Commission adopts the European Sustainability Reporting Standards](#)

<sup>20</sup> [Interoperability between ESRS and ISSB standards EFRAG assessment at this stage and mapping table](#)

<sup>21</sup> [EFRAG-GRI Joint Statement of Interoperability](#)

<sup>22</sup> [The New ISSB Climate Standards: Stay Tuned For Made-In-Canada Rules](#)

<sup>23</sup> [Accounting firms accused of missing climate risks in company audits](#)

<sup>24</sup> [Explainer: What to expect once the SEC sets its final climate disclosure rules](#)

# Appendix F: Intangibles research project – survey update

## Executive Summary

<b>Project Type</b>	Research
<b>Project Scope</b>	Significant
<b>Purpose of the paper</b>	
This paper provides an update to the Board on progress made by the Secretariat on the intangibles survey research.	
<b>Summary of the Issue</b>	
<p>Following the publication of the intangibles qualitative research in March 2023, the Secretariat commenced work on the intangibles survey research. The following activities have been undertaken:</p> <p><b>Questionnaire drafting</b></p> <p>The Secretariat produced a first draft of the questionnaire drawing on the qualitative research findings and relevant literature on the topic. The draft questionnaire was tested and revised after input from:</p> <ul style="list-style-type: none"><li>• Academic Advisory Group (AAG) meeting in April 2023.</li><li>• Members of the AAG.</li><li>• Some UKEB Board members.</li><li>• Economists at DBT.</li><li>• Senior members of the UKEB Secretariat</li></ul> <p><b>Pilot</b></p> <p>A final questionnaire was then shared the Investor Advisory Group (IAG) in August 2023 as a pilot. The pilot is expected to complete in September 2023. To-date two responses have been received and no fatal flaws have been flagged.</p> <p><b>Wider Distribution</b></p> <p>In parallel, the Secretariat has networked and built contacts with investors and their representatives to achieve a wide distribution of the questionnaire. The launch is planned for the week commencing 25 September 2023. The questionnaire is planned to be open for three weeks. Distribution will happen through a variety of channels and aims to achieve a complete coverage of the different types of users' of financial</p>	

statements in the UK. We are hoping that Board members will also share the survey with their contacts and encourage responses.

### **Data analysis and report drafting**

The Secretariat will analyse the data upon receiving responses. Report drafting will follow. A draft report is anticipated for Q1 2024.

### **Sharing with other National Standard Setters**

We have already received requests from other National Standard Setters to share the survey with them so they can carry out similar exercises in their own jurisdictions. We intend to share a version as soon as it is issued to UK stakeholders.

### **Decisions for the Board**

N/A

### **Recommendation**

N/A

### **Appendices**

N/A