

Summary of the UKEB’s Public Session held on 19 May 2022 at 10:30 at 125 London Wall, London EC2Y 5AS

The UKEB met for the public session on 19 May 2022. The video recording of the meeting and the agenda papers have been made available on the UKEB’s website.

PRESENT:

Name	Designation
Pauline Wallace	Chair
Mike Ashley	Member
Phil Aspin	Member
Kathryn Cearns	Member
Katherine Coates	Member
Paul Lee	Member
Giles Mullins	Member
Liz Murrall	Member
Sandra Thompson	Member
Michael Wells	Member
Andrew Death	Observer from The Department for Business, Energy and Industrial Strategy (BEIS)
Joyce Grant	Observer from the Financial Reporting Council (FRC)
Chris Haworth	Observer from Her Majesty’s Revenue and Customs (HMRC)
Andrew Murray	Alternate Observer from the Bank of England (BoE)
Lee Piller	Alternate Observer from the Financial Conduct Authority (FCA)

The topics discussed at that meeting, in order of discussion, were:

Administrative matters

Apologies were noted from Amir Amel-Zadeh. Kathryn Cearns left the meeting at 1:40pm.

Declarations of interest

The Board noted the following declarations of interest:

- Katherine Coates provides advice to insurance companies, albeit not specifically on IFRS 17; and
- Paul Lee’s employer provides advice to pension schemes on bulk annuities.

Endorsement of 2021 NSAs – Approval of PIP

The Board considered the draft Project Initiation Plan (PIP) relating to the project to endorse and adopt three narrow-scope amendments (NSAs) issued by the IASB in 2021:

- Amendments to IAS 1 [and IFRS Practice Statement 2] – *Disclosure of Accounting*

Policies;

- Amendments to IAS 8 – *Definition of Accounting Estimates*; and
- Amendments to IAS 12 – *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*.

It was noted that all of the 2021 NSAs included in this project were finalised by the IASB before the UKEB was delegated its statutory functions. As a result, the UKEB had no influence over their development by the IASB. However, UK stakeholders had influenced the IASB's work on the 2021 NSA, either by directly responding to the IASB or via input into EFRAG. The Board considered a summary of that UK feedback. It also noted that, due to the narrow scope of the individual amendments, they have been grouped together as one project. The Board noted that the deadline would be tight, with the 90-day consultation period, but it recognised that the aim is to adopt these NSAs before their effective date of 1 January 2023.

The Board approved the PIP. The Draft Endorsement Criteria Assessment (DECA) would be brought to the June 2022 meeting for the Board's consideration.

ISSB Exposure Draft – Draft Comment Letter

The Board considered the Draft Comment Letter (DCL) and accompanying invitation to comment questions, on the International Sustainability Standards Board (ISSB)'s exposure drafts (EDs) IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* ("IFRS S1") and IFRS S2 *Climate Related Disclosures* ("IFRS S2"). The newly formed ISSB was seeking comments on its first two EDs due by 29 July 2022.

The Board was informed that BEIS would be issuing a response to the ISSB, as would the Financial Reporting Council (FRC) and the Financial Conduct Authority (FCA). Each organisation would focus on its area of expertise. BEIS had requested that the UKEB focus on the interaction with and any overlap between international accounting standards and international sustainability disclosure standards.

The Board approved the DCL subject to certain amendments to enhance the tone of the letter and editorial changes. The Board requested the Chair to approve the amended DCL for publication for stakeholder consultation on its behalf.

The Board noted the next steps, including outreach with a range of stakeholders and an outreach event with participation from other relevant government bodies. The Final Comment Letter, Draft Feedback Statement, and Draft Due Process Compliance Statement would be considered by the Board at the July 2022 meeting.

Research Project: Intangibles - Update

The Board received an update on the UKEB's research project on intangibles. The work to date has involved a review of existing literature on the economics and accounting for intangibles, commencing a quantitative analysis of intangibles reported by UK-listed entities, and in-depth interviews with UK stakeholders to understand the concerns and possible approaches to improving the current accounting practice. Overall, common themes have emerged from the stakeholder engagement; the general sentiment indicates that there should be a substantial overhaul of accounting and reporting for intangibles.

The Board encouraged the Secretariat to obtain a more detailed understanding of users'

needs and information they would find useful. The Board noted the outreach with other standard setters, such as EFRAG and AASB, and that a collegiate approach is being taken.

Ongoing Monitoring of IASB Projects: Primary Financial Statements

The Board received an update on the IASB's discussions and the IASB's tentative decisions to date on its Primary Financial Statements (PFS).

The Board noted that the IASB has made tentative decisions on some of the proposals in the Exposure Draft (ED). It was noted that the overall direction of the IASB's tentative decisions aligned with the recommendations made in the UKEB Secretariat's response to the IASB's ED.

It was also noted that some of the tentative decisions reached by the IASB differ from the proposals in the ED. The Board considered those tentative decisions and noted that re-exposure of those proposals should only be recommended if there was strong evidence that this was needed.

The Board also considered the main areas of proposals in the ED yet to be deliberated by the IASB. The Board gave advice on the next steps proposed by the UKEB Secretariat.

IFRS 17 – Response to IFRS Interpretations Committee's Tentative Agenda Decision

The Board considered the UKEB's draft response to the IFRS Interpretations Committee's (IC) Tentative Agenda Decision (TAD) – *Transfer of Insurance Coverage under a Group of Annuity Contracts* (IFRS 17).

Following discussions at the April 2022 meeting the Board had agreed that the response should not express views on the technical content of the TAD. The response would instead focus on encouraging the IC to address the issue, highlighting the importance to the UK insurance industry, and recommending that the IASB conducts a broader review of IFRS 17's requirements in respect of revenue recognition at the latest as part of a post-implementation review.

The Board approved the draft response, subject to minor amendments, noting that the response would be submitted by the deadline of 23 May 2022.

Any other business

There was no other business discussed.

The meeting ended at 2:10pm.