

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"> • Exposure Draft ED/2023/01 published on 9 January 2023 • Final amendments published 23 May 2023 • Temporary mandatory exception effective immediately and retrospectively; targeted disclosure requirements effective for annual periods beginning on or after 1 January 2023.

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 ¹	Metrics or evidence	UKEB Secretariat comments
Project preparation			
Added to UKEB technical work plan [Due Process Handbook (Handbook) [4.29]	Mandatory	Project is included in the UKEB published technical work plan.	Complete: the Amendments were included in the UKEB technical work plan published in December 2022 .

¹ In accordance with the [Due Process Handbook](#).

Step	Mandatory / optional ¹	Metrics or evidence	UKEB Secretariat comments
Project preparation (continued)			
Project Initiation Plan (PIP) [Handbook 6.12 to 6.16]	Mandatory	PIP draft with project outline (background, scope, project objective) and approach for endorsement (key milestones and timing) proportionate to the project	<p>Complete: taking a proportionate approach, the Secretariat included mandatory milestones for the project and considered, as appropriate, other milestones and activities.</p> <p>The PIP 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>Complete: 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>Complete: one project manager supported and overseen by one senior project director, with communications and economics team support.</p>

Step	Mandatory / optional ¹	Metrics or evidence	UKEB Secretariat comments
Project preparation (continued)			
Project Initiation Plan (PIP) [Handbook 6.12 to 6.16]	Mandatory	Assessment of whether to set up an ad-hoc advisory group	Complete: 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	Complete: the PIP was approved at the 23 February 2023 Board meeting.
	Optional	UKEB education or initial assessment	Complete: The Board was provided with an update 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.
Communications			
Public board meetings [Handbook 4.10]	Mandatory	UKEB public meetings held to discuss technical project	Complete: The Board approved the Project Initiation Plan (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 ¹	Metrics or evidence	UKEB Secretariat comments
Communications (continued)			
Secretariat papers [Handbook 4.20]	Mandatory	Board meeting papers posted and publicly available on a timely basis.	<p>Complete: 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>
Project webpage [Handbook 4.25(b)]	Mandatory	Update UKEB website	Complete: The project webpage has been updated regularly on a timely basis.

Step	Mandatory / optional ¹	Metrics or evidence	UKEB Secretariat comments
Communications (continued)			
Subscriber alerts [Handbook 4.24]	Mandatory	Evidence that subscriber alerts have occurred	<p>Complete: 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>
Desk-based research			
Desk-based research [Handbook 6.17]	Optional	Review of relevant documentation	<p>Complete: the Secretariat has reviewed:</p> <ul style="list-style-type: none"> • The IASB’s work on the Amendments (staff papers, ED); • The Basis for Conclusions to the ED and Dissenting Opinion; • Comment letters on the ED received by the IASB from UK stakeholders including the UKEB; • Other standard-setters’ views; and • Accounting manuals and press releases for guidance and illustrative examples.

Step	Mandatory / optional ¹	Metrics or evidence	UKEB Secretariat comments
Outreach			
Consult with a representative range of stakeholders prior to adoption [Handbook 6.18 to 6.21]	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>
Draft Endorsement Criteria Assessment (DECA)			
DECA [6.23 to 6.29]	Mandatory	UKEB sets comment period for response of DECA	<p>Complete: 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 28 March 2023 meeting of the Preparer Advisory Group and the 30 March 2023 meeting 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 ¹	Metrics or evidence	UKEB Secretariat comments
Draft Endorsement Criteria Assessment (DECA) (continued)			
DECA [6.23 to 6.29] (continued)	Mandatory	Review and approval at the UKEB public meeting	Complete: Reviewed and approved at the Board meeting on 22 June 2023.
	Mandatory	DECA posted on website for public consultation	Complete: 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	Complete: 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.
Project finalisation and project closure			
Final Endorsement Criteria Assessment (ECA) [Handbook 4.25(e)]	Mandatory	Public responses on DECA assessed and posted on website	Complete: 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 ¹	Metrics or evidence	UKEB Secretariat comments
Project finalisation and project closure (continued)			
Final Endorsement Criteria Assessment (ECA) [Handbook 6.40 to 6.48] (continued)	Mandatory	Final ECA approved by the UKEB in public meeting	Complete: 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	Complete: The final ECA was published on the UKEB website on 19 July 2023.
Feedback Statement [Handbook 6.33 to 6.48]	Mandatory	Feedback Statement approved by the UKEB in a public meeting	Complete: 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	Complete: The final Feedback Statement was published on the UKEB website on 19 July 2023.
	Mandatory	News alert published to announce publication	Complete: A News Alert announcing publication of the Feedback Statement was published on 19 July 2023.

Step	Mandatory / optional ¹	Metrics or evidence	UKEB Secretariat comments
Project finalisation and project closure (continued)			
Due Process Compliance Statement (DPCS) [Handbook 6.37 to 6.39]	Mandatory	DPCS approved by the UKEB in public meeting	Complete: 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	Complete: The final DPCS was published on the UKEB website on 22 September 2023.
Adoption Statement [Handbook 6.40 to 6.48]	Mandatory	Adoption Statement approved by the UKEB in public meeting	Complete: 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	Complete: The final Adoption Statement for the Amendments was published on 19 July 2023.
	Mandatory	News Alert published to announce publication	Complete: The News Alert announcing adoption of the Amendments was published on 19 July 2023.

Step	Mandatory / optional ¹	Metrics or evidence	UKEB Secretariat comments
Project finalisation and project closure (continued)			
Voting on adoption of the Amendments [Handbook 6.42 to 6.48]	Mandatory	Tentative vote	Complete: 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)	Complete: 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	Complete: 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.