

# 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> [DPH 5.13 to 5.17]	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.</b> [DPH 5.18]	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> [DPH 5.19, 5.23-5.26]	Mandatory	This document and Feedback Statement published on website.	The Secretariat presented a draft Feedback Statement for Board approval at the July 2023 meeting. The final Feedback Statement was published on the UKEB website on 19 July 2023. A [draft] Due Process Compliance Statement (DPCS) was presented for Board approval at its July 2023 meeting. The final DPCS was presented for noting at the September 2023 meeting and subsequently published on the UKEB website.

## **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.