

Minutes of the UKEB's Public Meeting held on 13 July 2023 at 10:00 hrs at 125 London Wall, London EC2Y 5AS

The UKEB met for the public meeting on 13 July 2023. The 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
Robin Cohen	Member
Edward Knapp	Member
Paul Lee	Member
Giles Mullins	Member
Liz Murrall	Member
Sandra Thompson	Member
Michael Wells	Member
Michael Ashby	Observer from the Department for Business and Trade (DBT)
Richard Cannon	Observer from His Majesty's Revenue and Customs (HMRC)
Joyce Grant	Observer from the Financial Reporting Council (FRC/CRR)
Andrew Murray	Observer from the Bank of England (BoE)

1. Welcome and Apologies

- a) The Chair noted that the meeting was being recorded and the recording would be published on the UKEB website after the meeting.
- b) The Board noted apologies from Amir Amel-Zadeh (UKEB Member).
- c) Edward Knapp and Sandra Thompson left the meeting at 15:20 (item 8).

2. Declarations of Interest

- a) The Board noted the following declarations of interest:
 - Phil Aspin's employer carries out rate-regulated activities.
 - Robin Cohen is a member of UK's Competition and Markets Authority panel that considers adjudications on regulatory price appeals.

3. Administrative Matters

- a) The Board approved the minutes of the last meeting on 22 June 2023 for publication on the website. **(Decision)**

Endorsement and Adoption

4. Classification of Liabilities as Current or Non-current (Amendments to IAS 1) and Non-current Liabilities with Covenants (Amendments to IAS 1): Adoption Package

- b) The Board considered the papers that formed part of the Adoption Package for the Amendments to IAS 1 *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current* (the '2020 Amendments') and *Non-current Liabilities with Covenants* (the '2022 Amendments'), issued by the International Accounting Standards Board (IASB) with an effective date of 1 January 2024, and earlier application permitted. The papers included:
 - i. Final Endorsement Criteria Assessment (ECA);
 - ii. Feedback Statement;
 - iii. [Draft] Due Process Compliance Statement; and
 - iv. [Draft] Adoption Statement for the Amendments.
- c) The Board cast an indicative vote, with all 12 members present indicating that they would vote in favour of adopting the Amendments. After the meeting, the Board would be asked to cast their written votes. The finalisation of that formal written vote would commence the process for publication of the amendments in line with the Board's Terms of Reference. **(Decision)**
- d) The Board approved the Adoption Package subject to the amendments suggested at the meeting. **(Decision)**
- e) Given there are two adoption decisions to make after the meeting, the Board considered the timing of the formal written balloting for the Amendments to IAS 1 and IAS 12, and agreed to start the balloting for each concurrently.
- f) The final Due Process Compliance Statement will be presented to the Board for noting at its September 2023 meeting.

5. Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7): Draft Endorsement Criteria Assessment

- a) The Board considered the [Draft] Endorsement Criteria Assessment (DECA) and [Draft] Invitation to Comment for the narrow-scope amendments *Supplier Finance Arrangements* (Amendments to IAS 7 and IFRS 7) (the Amendments). The Amendments were issued by the International Accounting Standards Board (IASB) in May 2023 and are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

- b) The Board considered the contents of the DECA and made suggestions to clarify the wording, including: highlighting that some of the assessment considerations are applicable to more than one accounting criteria (e.g., relevance and reliability); and refining wording in the section on benefits for preparers and users.
- c) The Board approved the DECA and Invitation to Comment for public consultation, with a 90-day comment period, subject to amendments to reflect its comments and final sign-off by the Chair. **(Decision)**
- d) The Board received an update on the next steps. A verbal update on stakeholder feedback on the DECA would be provided to the Board at its October 2023 meeting. The final adoption package is expected to be presented at the November 2023 Board meeting.

6. International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12): Endorsement Criteria Assessment and adoption package

- a) The Board considered the following papers that formed the Adoption Package for the Amendments to IAS 12 *International Tax Reform – Pillar Two Model Rules* (the Amendments) issued by the IASB:
 - i. Final Endorsement Criteria Assessment (ECA);
 - ii. Feedback Statement;
 - iii. [Draft] Due Process Compliance Statement; and
 - iv. [Draft] Adoption Statement for the Amendments.
- b) The Board cast an indicative vote, with all 12 members present indicating that they would vote in favour of adopting the Amendments. After the meeting, the Board would be asked to cast their written votes. The finalisation of that formal written vote would commence the process for publication of the amendments in line with the Board’s Terms of Reference. **(Decision)**
- c) The Board approved the Adoption Package subject to the amendments suggested at the meeting. **(Decision)**
- d) The FRC observer noted that the FRC would not pursue regulatory action against companies that applied the Amendments in June 2023 annual or interim financial statements that were approved by the directors after the date of adoption of the Amendments.

Influencing

7. Post-implementation Review of IFRS 15 *Revenue from Contracts with Customers*: Draft Comment Letter

- a) The Board considered the Draft Comment Letter (DCL) and accompanying invitation to comment questions on the IASB’s Post-implementation Review (PIR) of IFRS 15 *Revenue from Contracts with Customers*. The DCL highlights

the feedback received from stakeholders, which notes that IFRS 15 is generally working as intended and there are no fatal flaws, although there are a few concerns regarding the guidance on constraining estimates of variable consideration and principal versus agent considerations.

- b) The Board approved the DCL for publication subject to the incorporation of comments from the Board and final sign-off by the Chair prior to publication. The Invitation to Comment deadline will be 5 October 2023 (70-day comment period). **(Decision)**

8. IFRS 9 Amendments to Classification and Measurement: Final Comment Letter, Feedback Statement, [Draft] Due Process Compliance Statement

- a) The Board considered the Final Comment Letter (FCL) and Feedback Statement for the International Accounting Standards Board (IASB)'s Exposure Draft (ED) *Amendments to the Classification and Measurement of Financial Instruments: Proposed amendments to IFRS 9 and IFRS 7*.
- b) The Board suggested amendments to the letter, including removal of the paragraph requesting a more holistic approach to the derecognition of financial liabilities and clarifying the recommendation in relation to the 'magnitude test'.
- c) The Board approved for publication the FCL and Feedback Statement, subject to addressing the comments from the Board and final sign-off by the Chair. **(Decision)**
- d) The Board approved the [Draft] Due Process Compliance Statement. **(Decision)**

Ongoing Monitoring of IASB Projects

9. IASB General Update

- a) The Board considered the recent tentative decisions by the IASB on their projects currently being monitored by the UKEB Secretariat. The Board discussed the following topics:
 - i. Subsidiaries without Public Accountability Disclosures
 - ii. IFRIC Agenda Decisions Update
- b) The Board agreed that the UKEB would not respond to the IFRS Interpretations Committee Tentative Agenda Decision on the 'merger between a parent and its subsidiary in separate financial statements' currently open for comment. **(Decision)**

10. Advisory Groups Updates

- a) The Board noted the update on the UKEB Rate-regulated Activities Advisory Group and the planned education session for later in the year.

11. Items for Noting

- a) The Board noted the following paper:
 - i. ISSB General Update

12. Any other business

- a) There was no other business discussed.

The meeting ended at 15:40 hrs.