

Minutes of the UKEB's Public Meeting held on 30 January 2024 at 10:00 hrs at 125 London Wall, London EC2Y 5AS

The UKEB met for the public meeting on 30 January 2024. The recording of the meeting and the agenda papers have been made available on the UKEB's website.

PRESENT:

Name	Designation
Pauline Wallace	Chair
Amir Amel-Zadeh	Member
Mike Ashley	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
Mark Chandler	Observer from HM Revenue and Customs (HMRC)
Andrew Death	Observer from the Department for Business and Trade (DBT)
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 Phil Aspin.

2. Declarations of Interest

- a) The Board had no declarations of interest.

3. Administrative Matters

- a) The Board approved the minutes of the last meeting on 14 December 2023 for publication on the website, subject to minor amendments. **(Decision)**

Endorsement and Adoption

4. Lack of Exchangeability – Draft Endorsement Criteria Assessment

- a) The Board considered the Draft Endorsement Criteria Assessment (DECA) and related Invitation to Comment (ITC) for the narrow-scope amendments *Lack of Exchangeability* (Amendments to IAS 21) (the 'Amendments').
- b) The Board noted the stakeholder engagement and outreach activities carried out for the project, particularly with relevant companies and various UKEB advisory groups. The feedback indicated support for the Amendments for use in the UK, and that the amendments to IAS 21 are not expected to materially impact the financial statements. The UKEB has tentatively concluded that the Amendments meet the statutory endorsement criteria.
- c) The Board approved the DECA and ITC for public consultation, subject to some minor amendments. **(Decision)**
- d) The Board noted the next steps, which are the publication of the DECA and ITC for public consultation on 5 February 2024, with a comment deadline of 6 May 2024. The Adoption Package is expected to be considered by the Board at a subsequent meeting.

Influencing

5. Financial Instruments with Characteristics of Equity – Draft Comment Letter

- a) The Board considered the Draft Comment Letter (DCL) and related Invitation to Comment (ITC) on the IASB Exposure Draft (ED) *Financial Instruments with Characteristics of Equity: Amendments to IAS 32, IFRS 7 and IAS 1*.
- b) The Board considered the preliminary analysis of the remaining topics that were not addressed at its December 2023 meeting as follows:
 - i. Obligations to redeem own equity
 - ii. Contingent settlement provisions
 - iii. Transition
- c) The Board discussed the contents and structure of the DCL and ITC. The Board approved the DCL and ITC subject to addressing the comments from the Board, and final review and approval by the Chair. **(Decision)**
- d) The Board noted the next steps, including the publication of the DCL for consultation for a 30-day comment period, and the Final Comment Letter, Feedback Statement and Due Process Compliance Statement to be considered at the Board's March 2024 meeting.

6. IFRS Interpretations Committee Tentative Agenda Decision – Comment Letter

- a) The Board agreed to submit a response to the IFRS Interpretations Committee's (the Committee) Tentative Agenda Decision: *Climate-related Commitments (IAS 37)* (TAD) given its likely impact on UK companies. **(Decision)**
- b) The Board considered the Project Initiation Plan (PIP) and a draft Final Comment letter (FCL) in relation to the Committee's TAD.
- c) The Board noted that the draft FCL specifically addresses the Committee's TAD, but also raised wider strategic issues in relation to reporting for climate-related commitments.
- d) The Board agreed that the focus of the FCL should only address the issues relating to the TAD and be submitted in time for the 5 February 2024 comment deadline. On that basis, the Board approved the FCL, subject to suggested amendments and final sign-off by the Chair. **(Decision)**
- e) The Board approved the PIP and agreed that, given the urgency and nature of this project, a Feedback Statement would not be required for this project. **(Decision)**
- f) A Due Process Compliance Statement will be presented to the Board at its February 2024 meeting.
- g) Regarding the wider strategic issues raised in the draft FCL, the Board agreed that these merit a separate letter to the IASB, which as the standard setter was responsible for the wider strategic issues. The Board agreed that a draft letter be tabled for the Board's consideration at the February 2024 meeting. **(Decision)**

Ongoing Monitoring of IASB Projects

7. IASB General Update

- a) The Board noted updates on projects being considered by the IASB:

Power Purchase Agreements (PPAs)

- b) The Board noted an update on the IASB project on PPAs, discussed at the IASB's December 2023 meeting. It was noted that the IASB's approach to standard setting on this project will be narrow in scope. The IASB expects to hold a decision-making session on the project at its February 2024 meeting.

Potential Connectivity Matters

- c) The Board noted that the IASB and ISSB held their first joint meeting, which discussed feedback from stakeholders on the ISSB Agenda Consultation regarding the potential integration in reporting research project and connectivity between the boards.

8. Intangibles – Draft User Survey Report

- a) The Board considered the draft survey report of users' view on the accounting for intangibles, including the draft analysis and results included within the report.
- b) The survey tested users' perceptions of current accounting for intangible items in financial statements. 46 full responses and 14 partial responses had been received from both UK-based and overseas users.
- c) Overall, the feedback from users indicated that they are generally satisfied with current account practice with regard to recognition and measurement of "traditional" intangibles. However, the survey data indicated that users did not find the accounting for newer types of intangibles or financial information reported on intangible expenditures using existing IFRS standards to be as useful. A majority of the user responses indicated that intangible items are an important economic benefit for companies, whether or not they are reported in the financial statements.
- d) The Board noted that there were nuances in the data that would benefit from further analysis, including a deeper examination of the written feedback from respondents.
- e) The Board discussed the proposal for the development of two separate papers, based on the findings of the project, on the following topics: (1) an overview of the investment management industry in the UK; and (2) a literature review. The Board agreed to consider the approach for these in further detail at its March 2024 meeting.
- f) The Board noted the next steps and that the final draft survey report will be presented at the March 2024 Board meeting.

9. Advisory Groups Updates

- a) The Board noted the advisory groups update.

10. Items for Noting

- a) The Board noted the following papers:
 - i. Sustainability Update
 - ii. Due Process Compliance Statement (DCPS): *Annual Improvements to IFRS Accounting Standards – Volume 11*

11. Any other business

- a) There was no other business discussed.

The meeting ended at 13:20 hrs.