

Due Process Compliance Statement: Financial Instruments with Characteristics of Equity – Amendments to IAS 32, IFRS 7 and IAS I

The International Accounting Standards Board (IASB) published the Exposure Draft (ED) *Financial Instruments with Characteristics of Equity*¹ (the Amendments) on 30 November 2023. The IASB comment period ended on 29 March 2024.

Influencing process

Project preparation

Step	Mandatory / optional ²	Metrics or evidence	UKEB Secretariat comments
Added to UKEB technical work plan [Due Process Handbook (Handbook) 4.30]	Mandatory	Project included in the UKEB published technical work plan	Complete: the Amendments were included in the UKEB technical work plan published in July 2022 .

¹ The [ED](#) is available on the IASB website.

² In accordance with the [Due Process Handbook](#).

Step	Mandatory / optional ²	Metrics or evidence	UKEB Secretariat comments
Project Initiation Plan (PIP) [Handbook 5.4 to 5.8, A1 to A2 and A12 to A14]	Mandatory	PIP draft with project outline (background, scope, project objective) and approach for influencing (key milestones and timing)	<p>Complete: The Secretariat included mandatory milestones for the project and considered, as appropriate, other milestones and activities.</p> <p>The PIP was approved at the 19 October 2023 Board meeting.</p>
	Mandatory	Outreach plan for stakeholders and communication approach outlined	<p>Complete: The PIP included the outreach plan and approach.</p>
	Mandatory	Resources allocated	<p>Complete: One project director (0.8 FTE) and one project manager, with technical support and oversight from a senior project director were allocated to the project.</p>
	Mandatory	Assessment of whether to set up an ad-hoc advisory group	<p>Complete: Taking a proportionate approach, an ad-hoc advisory group was not considered necessary due to the moderate nature of the project.</p>
	Mandatory	Assessment of whether PIP required updating	<p>Complete: No updates to the PIP were required.</p>

Step	Mandatory / optional ²	Metrics or evidence	UKEB Secretariat comments
Project Initiation Plan (PIP) [Handbook 5.4 to 5.8, A1 to A2 and A12 to A14] (continued)	Mandatory	UKEB Board public meeting held to approve PIP	Complete: the PIP was approved at the 19 October 2023 Board meeting.
Education sessions [Handbook 4.10]	Optional	Board provided with education sessions	Complete: The Board was provided with two education sessions, one specifically on the Amendments at the November 2023 Private Board meeting and an additional optional session on the current requirements, contained within IAS 32 <i>Financial Instruments: Presentation</i> , in December 2023.

Desk-based research

Step	Mandatory / optional ²	Metrics or evidence	UKEB Secretariat comments
Desk-based research [Handbook 5.9 and A3]	Optional	Review of relevant documentation	Complete: the Secretariat has reviewed: <ul style="list-style-type: none"> • The IASB's work on the Amendments, including the staff papers and the ED; • The Illustrative Examples and the Basis for Conclusions to the ED; • Other standard-setters' views; and • Current guidance within accounting manuals; and • Press releases for further guidance and illustrative examples.

Outreach

Step	Mandatory / optional ²	Metrics or evidence	UKEB Secretariat comments
Outreach activities [Handbook 5.10 to 5.12 and A4 to A8]	Mandatory	Evidence of consultation	<p>Complete: Due to the narrow-scope nature of the Amendments, consultation activities were focused on consultation with advisory groups, meeting with industry groups, following up with key stakeholders and obtaining responses to the Draft Comment Letter (DCL). The UKEB received three comment letters.</p> <p>The comment letters received were published on the UKEB website.</p>

Draft Comment Letter (DCL)

Step	Mandatory / optional ²	Metrics or evidence	UKEB Secretariat comments
DCL published for comment (mandatory unless impracticable) [Handbook paragraphs 5.13 to 5.17 and A4(d)]	Mandatory	Comment period set for responses to DCL	<p>Complete: The DCL was published for consultation for 30 days on 7 February 2024 (comment period deadline: 8 March 2024).</p>
	Mandatory	Review and approval at a UKEB public meeting	<p>Complete: The DCL was reviewed and approved at the Board meeting on 30 January 2024.</p>
	Mandatory	DCL published on website for public consultation	<p>Complete: The DCL was published for consultation for 30 days on 7 February 2024 (comment period deadline: 8 March 2024).</p>

Project finalisation and project closure

Step	Mandatory / optional ²	Metrics or evidence	UKEB Secretariat comments
Final Comment Letter (FCL) [Handbook paragraph 5.18 and A4(d)]	Mandatory	Public responses to DCL considered and published on website	Complete: The UKEB received three comment letters which were published on the UKEB website. All responses were assessed, reflected as appropriate in the draft FCL and summarised in the Feedback Statement .
Final Comment Letter (FCL) [Handbook paragraph 5.18 and A4(d)] (continued)	Mandatory	FCL approved by the UKEB in public meeting	Complete: A draft of the FCL was presented for approval to the Board at its 28 March 2024 public meeting. The Board approved the FCL subject to suggested amendments.
	Mandatory	FCL submitted to the IASB and posted on UKEB website	Complete: The FCL was submitted to the IASB and posted on the UKEB website on 3 April 2024.
Feedback Statement [Handbook 5.19 to 5.22 and A9 to A11]	Mandatory	Feedback Statement approved for publication by the UKEB in a public meeting	Complete: A draft of the Feedback Statement was presented for approval to the Board at its 28 March 2024 public meeting. The Board approved the draft Feedback Statement , subject to editorial changes.
	Mandatory	Feedback Statement published on the UKEB website	Complete: The final Feedback Statement was published on the UKEB website on 3 April 2024.

Step	Mandatory / optional ²	Metrics or evidence	UKEB Secretariat comments
Due Process Compliance Statement (DPCS) [Handbook 5.23 to 5.26 and A12 to A14]	Mandatory	DPCS approved by the UKEB in public meeting	Complete: A draft DPCS was presented for approval to the Board at its 28 March 2024 public meeting. A final DPCS was presented for noting at the Board's 26 April 2024 meeting.
	Mandatory	DPCS published on the UKEB website	Complete: The final DPCS was published on the UKEB website after the April 2024 Board meeting.

Ongoing communications

Step	Mandatory / optional ²	Metrics or evidence	UKEB Secretariat comments
Public Board meetings [Handbook 4.10]	Mandatory	UKEB public meetings held to discuss technical project	<p>Complete: The Board received updates on the project at its June, July, September and October meetings in 2022 and at its January, March, May and June meetings in 2023.</p> <p>It discussed preliminary analysis papers at its December 2023 and January 2024 meetings.</p> <p>The Board approved the PIP at its meeting on 19 October 2023, the DCL at its meeting on 30 January 2024 and the FCL and Feedback Statement at its meeting on 28 March 2024.</p>
Secretariat papers [Handbook 4.20]	Mandatory	Board meeting papers posted and publicly available usually no later than 5 working days before a Board meeting.	Complete: The UKEB's meeting papers were published on the UKEB website 5 working days before the public meetings. Meeting minutes and recordings were made publicly available via the UKEB website.

Step	Mandatory / optional ²	Metrics or evidence	UKEB Secretariat comments
Project webpage [Handbook 4.25(b)]	Mandatory	Project webpage contains a project description with up-to-date information on the project.	Complete: The project webpage has been updated regularly on a timely basis.
Subscriber Alerts [Handbook 4.24]	Optional	Evidence that subscriber alerts have occurred	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.
News Alerts [Handbook 4.24]	Optional	News Alert to announce publication of key documents	Complete: A News Alert was published on 30 January 2024 calling for comments on the DCL. A News Alert was published on 3 April 2024 alerting stakeholders to the FCL. A link to the FCL was sent out to the UKEB advisory groups. A News Alert announcing publication of the Feedback Statement was published on 3 April 2024.

Conclusion

This project complies with the applicable due process steps, as set out in the December 2022 Handbook.