

Invitation to Comment

Call for comments on Draft Endorsement Criteria Assessment of *Annual Improvements to IFRS* *Accounting Standards—Volume 11*

Deadline for completion of this Invitation to Comment:

Close of business, [Friday 17 January 2025]

Please submit to:

UKEndorsementBoard@endorsement-board.uk

Introduction

The objective of this Invitation to Comment is to obtain input from stakeholders on the endorsement and adoption of *Annual Improvements to IFRS Accounting Standards—Volume 11* (the Amendments), published by the International Accounting Standards Board (IASB) in July 2024. The Amendments aim to clarify the wording in IFRS Standards or correct relatively minor unintended consequences, oversights or conflicts between existing requirements of the Standards¹. The Amendments will be effective for annual periods beginning on or after 1 January 2026. Earlier application is permitted. The information collected from this Invitation to Comment is intended to help with the endorsement assessment.

UK endorsement and adoption process

The requirements for UK adoption are set out in Statutory Instrument 2019/685².

The powers to formally adopt international accounting standards for use in the UK were delegated to the UK Endorsement Board in May 2021³.

¹ Paragraph 6.11 of the [IASB and IFRS Interpretation Committee Due Process Handbook](#), August 2020

² The International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019: <https://www.legislation.gov.uk/uksi/2019/685/made>

³ The International Accounting Standards (Delegation of Functions) (EU Exit) Regulations 2021: <https://www.legislation.gov.uk/uksi/2021/609/contents/made>

Who should respond to this Invitation to Comment?

Stakeholders with an interest in the quality of accounts prepared in accordance with IFRS Accounting Standards.

How to respond to this Invitation to Comment

Please download this document, answer any questions on which you would like to provide views, and return it to UKEndorsementBoard@endorsement-board.uk by close of business on [Friday 17 January 2025].

Brief responses to individual questions are welcome, as well as comprehensive responses to all questions.

Privacy and other policies

The data collected through submitting this document will be stored and processed by the UKEB. By submitting this document, you consent to the UKEB processing your data for the purposes of influencing the development of and adopting IFRS for use in the UK. For further information, please see our Privacy Statements and Notices and other Policies (e.g. Consultation Responses Policy and Data Protection Policy)⁴.

The UKEB's policy is to publish on its website all responses to formal consultations issued by the UKEB unless the respondent explicitly requests otherwise. A standard confidentiality statement in an e-mail message will not be regarded as a request for non-disclosure. If you do not wish your signature to be published, please provide the UKEB with an unsigned version of your submission. The UKEB prefers to publish responses that do not include a personal signature. Other than the name of the organisation/individual responding, information contained in the "Your Details" document will not be published. The UKEB does not edit personal information (such as telephone numbers, postal or e-mail addresses) from any other response document submitted; therefore, only information that you wish to be published should be submitted in such responses.

⁴ These policies can be accessed from the footer in the UKEB website here: <https://www.endorsement-board.uk>

Assessment against endorsement criteria

Our draft assessment [tentatively] concludes that:

- the Amendments meet the criteria of relevance, reliability, understandability and comparability required of the financial information needed for making economic decisions and assessing the stewardship of management, as required by SI 2019/685 (see Regulation 7(1)(c));
- application of the Amendments is not contrary to the principle that an entity's accounts must give a true and fair view as required by SI 2019/685 (see Regulation 7(1)(a)); and
- that the Amendments are likely to be conducive to the long term public good in the UK as required by SI 2019/685 (see Regulation 7(1)(b)), having considered:
 - whether they will generally improve the quality of financial reporting;
 - the costs and benefits that are likely to result from their use; and
 - whether they are likely to have an adverse effect on the economy of the UK, including on economic growth.

Our assessment of the Amendments is set out in **Section 2** of the DECA.

Amendments	Page
a) Hedge accounting by a first-time adopter (Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards)	12–14
b) Gain or loss on derecognition (Amendments to IFRS 7 Financial Instruments: Disclosures)	15–18
c) Transaction price (Amendments to IFRS 9 Financial Instruments)	19–22
d) Derecognition of lease liabilities (Amendments to IFRS 9)	23–25
e) Determination of a 'de facto agent' (Amendments to IFRS 10 Consolidated Financial Statements)	26–28
f) Cost method (Amendments to IAS 7 Statement of Cash Flows)	29–31

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Question

Technical accounting criteria assessment

1. For each of the amendments, do you agree with the draft assessment of the Amendments against the technical accounting criteria? (please select one option)

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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If you disagree with the assessment noted in question 1, please specify which amendment(s) and why.

Click or tap here to enter text.

True and fair view

2. For each of the amendments, do you agree with the draft assessment that the Amendments **are not contrary to the true and fair view requirement**? (please select one option)

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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If you disagree with the assessment noted in question 2, please specify which amendment(s) and why.

Click or tap here to enter text.

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UK long term public good

3. For each of the amendments, do you agree with the initial overall assessment of **costs and benefits** likely to arise from the Amendments? (please select one option)

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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If you disagree with the assessment noted in question 3, please specify which amendment(s) and why.

Click or tap here to enter text.

4. For each of the amendments, do you agree with the draft assessment that the Amendments are likely to be conducive to the **long term public good in the UK?** (please select one option)

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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If you disagree with the assessment noted in question 4, please specify which amendment(s) and why.

Click or tap here to enter text.

5. Do you have **any other comments** you would like to add?

Click or tap here to enter text.

Thank you for completing this Invitation to Comment

Please submit this document

by close of business on [Friday 17 January 2025] to:

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