

STAFF PAPER

April 2020

IASB® meeting

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| Project | Classification of Liabilities as Current or Non-current (effective date delay) | |
| Paper topic | Due process steps and permission to begin the balloting process | |
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This paper has been prepared for discussion at a public meeting of the International Accounting Standards Board (Board) and does not represent the views of the Board or any individual member of the Board. Comments on the application of IFRS® Standards do not purport to set out acceptable or unacceptable application of IFRS Standards. Technical decisions are made in public and reported in IASB® *Update*.

Objective

1. In Agenda paper 32 for this meeting, the staff recommends that the Board delay by one year the effective date of *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)* to annual reporting periods beginning on or after 1 January 2023.
2. The Board will need to publish an exposure draft to amend the effective date. Therefore, if the Board decides to delay the effective date, the staff will ask the Board to consider the questions in this paper.
3. This paper:
 - (a) sets out the due process steps that the Board has taken to publish the Exposure Draft;
 - (b) asks the Board to confirm it is satisfied that it has complied with the applicable due process requirements; and
 - (c) seeks the Board's permission to begin the balloting process.

Comment period

4. Paragraph 6.7 of the [IFRS Foundation Due Process Handbook](#) ('Due Process Handbook') states:

The IASB normally allows a minimum period of 120 days for comment on an Exposure Draft. If the matter is narrow in scope and urgent the IASB may consider a comment period of no less than 30 days, but it will only set a period of less than 120 days after consulting, and obtaining approval from, the DPOC.

5. We recommend a comment period of 30 days for the Exposure Draft of the proposed amendment, subject to approval from the Due Process Oversight Committee (DPOC). We recognise that in the midst of the coronavirus pandemic, stakeholders are occupied by priorities other than standard-setting. However, we believe that this is a simple amendment and that stakeholders would not be unduly burdened in responding on an accelerated timeframe. In addition, we believe that stakeholders would benefit from timely clarity about whether this proposed relief will be finalised as proposed.

Intention to dissent

6. In accordance with paragraph 6.9 of the Due Process Handbook, we are asking whether any Board member intends to dissent from the Exposure Draft.

Proposed timetable for balloting and publication

7. We plan to begin the balloting process immediately and expect to publish the Exposure Draft in early May 2020.

Confirmation of the due process steps

8. Appendix A summarises the due process steps taken to publish this Exposure Draft. We note that the applicable due process steps to date for publishing the Exposure Draft have been completed.

Questions for the Board

1. **Comment period**—does the Board agree with the staff recommendation to allow a comment period of 30 days on the Exposure Draft, subject to DPOC approval?
2. **Dissent**—does any Board member intend to dissent from the publication of the Exposure Draft?
3. **Permission to ballot**—is the Board satisfied that it has complied with the applicable due process requirements and that it has undertaken sufficient consultation and analysis to begin the balloting process for the Exposure Draft?

Appendix A: Due Process steps

A1. The following table sets out the due process steps taken by the Board:

| Step | Actions |
|---|--|
| The Board and IFRS Interpretations Committee (Committee) meetings are held in public, with papers being available for observers. All decisions are made in public sessions. | The Board will discuss the matter at its public meeting in April 2020 (see Agenda Paper 32). The project webpage will have up-to-date information in conjunction with the posting of this paper. |
| Consultation with the Trustees and the Advisory Council | The Trustees and the Advisory Council will be informed about the proposed amendments as part of the regular reporting to them. The DPOC will be informed about the proposed amendments in seeking their approval for a shortened comment period. |
| Analysis of likely effects of the forthcoming Standard or major amendment, for example, costs or ongoing associated costs. | The proposed amendments are narrow in scope. Consequently, we do not see a need to have a separate effects analysis. The matter arose because of the burdens covid-19 has placed on stakeholders. The main effect is therefore expected to be operational relief and more time for quality implementation of the amendments to IAS 1 on the classification of liabilities. |
| Finalisation | |
| Due process steps are reviewed by the Board. | This step will be met by this Agenda Paper. |
| The Exposure Draft has an appropriate comment period | The comment period is being considered by the Board at this meeting—see paragraphs 4 and 5 of this paper. |
| Drafting | |
| Drafting quality assurance steps are adequate. | The editorial team will review drafts and the translations team will be consulted during the balloting process. |
| Publication | |
| Press release to announce publication of the Exposure Draft. | A press release will be published with the Exposure Draft. |
| Publication of the Exposure Draft | The Exposure Draft will be made available on our website when published. |