

Trustees and DPOC Meeting Summary

June 2020

Trustees of the IFRS® Foundation

CONTACT Richard Thorpe rthorpe@ifrs.org

This paper reports on a meeting of the Trustees of the IFRS® Foundation, the oversight body of the International Accounting Standards Board (Board). The Trustees are responsible for governance of the IFRS Foundation and for delivery of the IFRS Foundation's objectives as set out in the IFRS Foundation *Constitution*. Consequently, this paper does not reflect the views of the Board or any individual Board member. Board technical decisions are made in public and reported in the IASB *Update*. Comments on the application of IFRS Standards do not purport to set out acceptable or unacceptable application of IFRS Standards.

1. Introduction

The IFRS Foundation (Foundation) Trustees met by video conference on 11 June 2020. This virtual meeting replaced the planned meeting in Seoul that was cancelled in view of the continuing global pandemic.

2. Report of the Trustees' executive session

2.1 Report of the Executive Director

The Trustees received a report from the Executive Director Lee White on activities since the last meeting. This updated Trustees on:

- analysis of the monthly dashboard of key performance indicators;
- the Foundation's success in continuing to operate effectively with all staff working remotely during the covid-19 pandemic; and
- work on identifying Trustee Committee priorities

2.2 Strategy review

The Trustees progressed in more detail their discussion from the February meeting. They considered a report from the Trustee Taskforce on global developments with sustainability reporting and an initial focus on climate change. This report analyses the different developments and the increasing demand for global standards that provide comparable, decision-useful and auditable information to investors and other interested stakeholders. The Trustees noted that some influential stakeholders had expressed a view that the IFRS Foundation could or should play a role. The Trustees agreed that further steps should be taken to consult. The Trustees intend to publish a public consultation paper at a later date.

2.3 IFRS Foundation Advisory Council

The Trustees received a presentation from Bill Coen, the Chair of the Advisory Council, on his work in assessing how the Council can best provide strategic advice for the Trustees and the Board. Trustees noted that he would present a more detailed report to the October meeting.

2.4 Committee reports

The Trustees received reports from Committees.

- The Business Processes and Technology Committee received an update on progress on the Foundation's Business Processes and Technology (BP&T) Programme. The Committee had noted that there could be some delays to the programme because of the challenges of working remotely, but that costs were still in line with budget. The Committee was also updated on work on enhancing the digital experience for stakeholders in the Foundation's work.
- The Audit, Finance and Risk Committee reviewed the 2020 management accounts for the four months to 30 April. These indicated that expenditure was under budget due to staff vacancies and reduced travel costs, and income was under budget as a result of timing differences. They were updated on progress on the submission of US Form 990 and were updated on key risks, including an in-depth review of the Foundation's approach to mitigating cyber risk. They were informed that there had been no reported issues around whistleblowing, bullying or harassment. Trustees noted that they would have the opportunity to discuss risks in more detail at a future meeting.
- The Human Capital Committee discussed human resource issues in the light of the covid-19 pandemic.
- The Nominating Committee discussed appointments in progress, including progress on the recruitment of a new Chair of the Board following the end of Hans Hoogervorst's term in 2021.
- The Due Process Oversight Committee met in public and a summary of the meeting is attached. A recording of the meeting is available on the Foundation's website.

3. Report of the IASB Chair

Hans Hoogervorst, the Chair of the Board, reported on recent technical activities. He noted in particular the continuing discussion in the EU about endorsement of IFRS 17 *Insurance Contracts*. He and Nili Shah, the Executive Technical Director, also updated Trustees on the steps that had been taken to reduce pressure on external stakeholders during the pandemic, notably by delaying the planned consultation on the Board's agenda to March 2021.

Report of the IFRS Foundation® Due Process Oversight Committee Meeting

10 June 2020

This meeting of the DPOC was held by telephone conference call and was open to the public. The recording is available on the IFRS Foundation website. The key issues discussed in the public session were as follows.

1. Update on technical activities

The DPOC received an update on the activities of the International Accounting Standards Board (Board) and the IFRS Interpretations Committee for the period February to May 2020. There were no matters in the report for which the DPOC was required to confirm that due process had been followed.

The DPOC noted the work the Board was doing in response to the covid-19 pandemic including two educational documents that were published to support the consistent application of IFRS 16 *Leases* and IFRS 9 *Financial Instruments*. They were updated on the due process followed in developing the documents and engagement with regulators.

The DPOC noted that the Board issued *Covid-19-Related Rent Concessions*, an amendment to IFRS 16, on 28 May. This had an unusually short comment period of 14 days which was approved by the Trustees at their meeting on 17 April in accordance with paragraph 6.8 of the Due Process Handbook. The DPOC also noted that on 4 May the Board published an Exposure Draft proposing to delay by one year the effective date of some narrow-scope amendments to IAS 1 *Classification of Liabilities as Current or Non-Current*. This Exposure Draft had a 30-day comment period, as approved by the DPOC at its meeting on 16 April.

The DPOC were updated about the Board's project to make targeted amendments to IFRS 17 *Insurance Contracts*. They noted that the Board had completed its redeliberations of the feedback in March and expected to issue the final amendments in June as scheduled.

2. Formal approval for publication of revised Due Process Handbook

The DPOC formally approved publication of the revised Due Process Handbook subject to any final edits. They noted that the published version of the Handbook would be accompanied by a feedback statement that explained the amendments made and how the DPOC responded to the feedback, and that the staff also planned to post material on the IFRS Foundation website to assist stakeholders' understanding of the Foundation's due process.

3. Correspondence

The DPOC noted that no correspondence had been received which required its attention.

