
IFRS Foundation Trustees meeting – Due Process Oversight Committee

Date **October 2023**
Topic **IASB Technical Activities: Key Issues and Update**
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This document is prepared for discussion at a public meeting of the IFRS Foundation Trustees' Due Process Oversight Committee (DPOC). The Trustees are responsible for governance of the IFRS Foundation, oversight of the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB), and for delivery of the IFRS Foundation's objectives as set out in the IFRS Foundation *Constitution*.

Purpose of the report

1. This report provides the Due Process Oversight Committee (DPOC) with an update on the activities of the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (Interpretations Committee) for the period June to September 2023.
2. The report sets out how the IASB and the Interpretations Committee have fulfilled their due process obligations as set out in the *Due Process Handbook*. The report aims to assist the DPOC in fulfilling its role of overseeing the due process activities of the IASB and the Interpretations Committee, as set out in paragraphs 2.1–2.15 of the *Due Process Handbook*. Paragraph 2.8(a) of the *Due Process Handbook* explains:

The DPOC is responsible for ... reviewing regularly, and in a timely manner, together with the [IASB] and the IFRS Foundation staff, the due process activities of the [IASB] and the Interpretations Committee, including standard-setting, the development of materials to support the consistent application of IFRS [Accounting] Standards, and the IFRS [Accounting] Taxonomy.

3. In this paper, there are no projects for which the DPOC is being asked to specifically confirm that due process has been followed. **Accordingly, all information in this report is for information only.**
4. The report is structured as follows:
 - (a) due process matters in the period for noting (paragraph 6–11); and
 - (b) other matters occurring during the period for the attention of the DPOC (paragraphs 12–49).
5. The accompanying appendices are as follows:
[Appendix A](#)—Overview of projects on the work plan
[Appendix B](#)—Due process documents published in the period.

Due process matters in the period for noting

Due process documents published

6. The due process documents published in the period are listed in [Appendix B](#). The staff confirm that the required due process steps have been completed for each of the documents listed. When the IASB is required to review a summary of the due process steps undertaken for a due process document, the DPOC receives a copy of the supporting IASB paper in advance of the IASB's discussion.

Due process decisions

7. In September 2023, the IASB confirmed that it is satisfied that it has complied with the applicable due process requirements to start the balloting process of the Exposure Draft *Business Combinations—Disclosures, Goodwill and Impairment*. The IASB also agreed with the staff's recommendation to set a comment period of 120 days. The IASB expects to publish the exposure draft in H1 2024.
8. In August 2023, the IASB held a supplementary meeting to consider the feedback on its Exposure Draft *International Tax Reform—Pillar Two Model Rules—Proposed Amendments to the IFRS for SMEs Standard*. The IASB decided to finalise the amendments without re-exposure and confirmed that it was satisfied the IASB has complied with the applicable due process requirements and has undertaken sufficient consultation and analysis to begin the process for balloting the amendments.
9. In July 2023, the IASB reviewed the due process applied in developing *General Presentation and Disclosures* (the new Accounting Standard arising from the Primary Financial Statements project). The IASB decided to finalise the Standard without re-exposure and confirmed that it was satisfied that the IASB has complied with the applicable due process requirements and has undertaken sufficient consultation and analysis to begin the process for balloting the Standard. The DPOC will conduct its life cycle review of the *General Presentation and Disclosures* Standard at this October 2023 meeting. Please refer to agenda paper 1C for this meeting.
10. In July 2023, the IASB also reviewed the due process applied in developing *Subsidiaries without Public Accountability: Disclosure*. The IASB decided to finalise the Standard without re-exposure and confirmed that it was satisfied that the IASB has complied with the applicable due process requirements and has undertaken sufficient consultation and analysis to begin the process for balloting the Standard. The DPOC will conduct its life cycle review of the *Subsidiaries without Public Accountability: Disclosure* Standard at its February 2024 meeting. See paragraphs 12–16 for further information about this project.

Agenda paper compliance report¹

11. In the period June to September 2023, all agenda papers discussed by the IASB and the Interpretations Committee were made available on the public website unaltered. During the period no papers were posted after the posting deadline.

Other matters occurring during the period for the attention of the DPOC

Research and standard-setting updates

Disclosure Initiative—Subsidiaries without Public Accountability: Disclosure

12. In July 2021, the IASB published its Exposure Draft *Subsidiaries without Public Accountability: Disclosures*, which set out a proposal for a new IFRS Accounting Standard. The proposals sought to respond to feedback from stakeholders that they would like to simplify the preparation of subsidiaries'

¹ Paragraph 3.12 of the *Due Process Handbook* states 'The technical staff is required to report to the [IASB] and the DPOC at least annually on the extent to which material discussed by the [IASB] or the Interpretations Committee has not been made available to observers and the main reasons for doing so. In addition, the technical staff is required to include in that report the number of meeting papers that have been distributed less than five working days in advance and the main reasons for doing so.'

financial statements, by permitting subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements.

13. The new Standard would simplify the preparation of an eligible subsidiary's financial statements by enabling it to apply group accounting policies in preparing its local financial statements. Hence, if an eligible subsidiary maintained two sets of accounting records or reconcile group and local accounting policies, it would no longer need to do so. Furthermore, under the IASB's proposals, the disclosure requirements would be reduced to reflect the needs of users of an eligible subsidiary's financial statements.
14. The IASB expects that the new Standard would:
 - (a) reduce costs for preparers;
 - (b) improve the application of IFRS Accounting Standards within the group; and
 - (c) maintain the usefulness of financial statements to the users of an eligible subsidiary's financial statements.
15. Under the IASB's proposals, a subsidiary is eligible if:
 - (a) the subsidiary is not publicly accountable (broadly speaking, it is a company that is not listed on a stock exchange and is not a financial institution); and
 - (b) the subsidiary's intermediate or ultimate parent produces consolidated financial statements that are available for public use and that comply with IFRS Accounting Standards.
16. As noted in paragraph 10, the IASB has given the staff permission to begin the balloting process. The final standard is expected in H1 2024.

Financial Instruments with Characteristics of Equity

17. In June 2018, the IASB published the Discussion Paper *Financial Instruments with Characteristics of Equity* (2018 DP). The 2018 DP set out the IASB's preferred approach to a comprehensive model for the classification of financial instruments as financial liabilities or equity instruments.
18. After considering feedback on the 2018 DP, the IASB refocused the project to make targeted amendments that would:
 - (a) address known practice issues that arise when applying IAS 32 *Financial Instruments: Presentation* to classify financial instruments as financial liabilities or equity; and
 - (b) improve the information provided in the financial statements about the financial instruments issued by the entity.
19. In May 2023, the IASB concluded deliberations on an exposure draft and confirmed that all necessary due process steps had been taken to start the balloting process for the exposure draft of proposed amendments.
20. The IASB expects to publish an exposure draft in November 2023, with a comment period of 120 days.

Management Commentary

21. The IASB published its Exposure Draft *Management Commentary* in May 2021. In response to the exposure draft, many stakeholders called for the IASB to advance the project in collaboration with the ISSB.
22. Since that time, the landscape surrounding the project has continued to evolve, notably with:
 - (a) the merger of the Value Reporting Foundation into the IFRS Foundation and the Integrated Reporting Framework becoming part of the materials of the IFRS Foundation.
 - (b) the publication of the ISSB's consultation on its agenda priorities. Among other questions, the ISSB's agenda consultation asks stakeholders about the priority of a project on integration in reporting, and whether that project should be undertaken in collaboration with the IASB and whether it should build on the Exposure Draft *Management Commentary* and/or the Integrated Reporting Framework.
 - (c) the ISSB's standards published at the end of June. Those standards establish new connections between the sustainability reporting and the financial statements.
23. The IASB has effectively put its decision-making on the Management Commentary project on hold until additional feedback about a possible path forward for this project becomes available through the ISSB's consultation on agenda priorities.
24. The comment period on the ISSB's consultation closed on 1 September. The (IASB) staff has been monitoring the developments on the ISSB's consultation and working with the ISSB staff because the feedback on that consultation, as well as the ISSB's decisions in response to that feedback, may feed into the IASB's decision about the direction of the Management Commentary project. For example, the Management Commentary project's direction could be joint work with the ISSB (in the ISSB's new work programme or later), incorporated into the project on integration in reporting, or continuation of an IASB-only project that could lay the groundwork for future joint work.
25. It is intended that the IASB and ISSB will meet jointly to discuss the feedback on the potential project on integration in reporting in preparation for:
 - (a) the ISSB deciding on the priorities for its next two-year workplan, including the priority of the potential project on integration in reporting; and
 - (b) the IASB deciding on the direction of the Management Commentary project.

Extractive Activities

26. One of the IASB's research projects is on the accounting for extractive activities. The IASB has been exploring whether to amend or replace IFRS 6 *Exploration for and Evaluation of Mineral Resources*, which deals with the accounting for exploration and evaluation expenditure. IFRS 6 was issued in 2004 as an interim standard with a temporary measure because the IASB could not complete a comprehensive review of the accounting for extractive activities prior to the many entities adopting IFRS Accounting Standards in 2005.
27. Paragraph 4.9 of the *Due Process Handbook* states:

[t]he purpose of the Board's research programme is to analyse possible financial reporting problems by collecting evidence on the nature and extent of the perceived shortcoming and assessing potential ways to improve financial reporting or to remedy a deficiency. This

analysis will help the Board decide whether it should undertake a standard-setting project to develop a proposal for a new IFRS Standard or to amend or replace a Standard...

28. Paragraph 5.7 of the *Due Process Handbook* states that '[t]he [IASB] adds a project to the [standard-setting] work plan only if it concludes that the benefits of the improvements to financial reporting will outweigh the costs'.
29. The IASB began work on this project several years later. After extensive research, outreach and deliberation, in September 2023, the IASB decided to stop work. The IASB acknowledges that the diversity in accounting policies applied to exploration and evaluation expenditure accounting that results from the exemption is not ideal. However, the work performed showed that the industry has developed well understood practices over time and users can cope with the accounting policy diversity. Therefore, the IASB does not think the problem is significant enough to justify the costs of making improvements. A Project Summary will be published in December 2023 to explain the topics the IASB considered, the evidence that was gathered and the decisions the IASB made, along with the rationale for those decisions.
30. In addition, the Board confirmed the work performed in this project concludes the comprehensive review of accounting for extractive activities envisaged by the IASB when issuing IFRS 6 *Exploration for and Evaluation of Mineral Resources*. Therefore, the Board decided to add to the maintenance project pipeline a project to remove the language about the temporary nature of IFRS 6 in the next *Annual Improvements to IFRS Accounting Standards* volume because the Board acknowledged the word temporary in IFRS 6 could be misleading given the decisions made in the Extractive Activities project.

Business Combinations under Common Control

31. Another research project underway is on the accounting for Business Combinations under Common Control. The IASB published a discussion paper in November 2020.
32. Based on feedback, additional outreach, research and deliberations, the IASB is questioning whether proceeding with the project in its current direction is likely to result in a standard-setting project or if the IASB should change project direction. Views are mixed, making this decision particularly challenging, as users of financial statements have expressed limited interest in the outcomes of this project, while regulators support continued work. In addition, should the IASB continue with this project, there are several possible accounting models, and user and other stakeholder views are split about the type of accounting that would result in useful information for users.
33. In September 2023, the IASB discussed feedback on three options for how to move the project forward:
 - (a) develop recognition, measurement and disclosure requirements;
 - (b) develop disclosure-only requirements; and
 - (c) discontinue the project
34. The IASB expects to decide the project direction in November 2023.

Post-implementation reviews

35. The IASB has two post-implementation reviews (PIRs) underway: one on the impairment requirements in IFRS 9 *Financial Instruments* and one on IFRS 15 *Revenue from Contracts with Customers*.
36. During the period, the comment period for the Request for Information on the PIR of the impairment requirements in IFRS 9 concluded. The IASB will discuss feedback in November 2023.
37. Also during the period, the IASB published the Request for Information on the PIR of IFRS 15. The comment period will close at the end of October and the IASB will discuss feedback in Q1 2024.

Supporting consistent application

Maintenance projects (narrow-scope amendments)

Climate-related risks in the financial statements

38. IFRS Accounting Standards already require the accounting for climate-related risks in the financial statements. However, as part of the IASB's Third Agenda Consultation, which concluded in 2022, stakeholders, especially users of financial statements, expressed concerns that the information about climate-related risks in the financial statements is insufficient and inconsistent with information in other reports. In response, the IASB added a maintenance project to its work plan in March 2023.
39. This project is a narrow-scope project to enable the IASB to deliver outcomes more quickly than a more comprehensive project, consistent with stakeholder requests. It will not seek to develop an IFRS Accounting Standard on climate-related risks, broaden the objective of financial statements, change the definition of assets or liabilities or develop accounting requirements for pollutant pricing mechanisms.
40. In September 2023, the IASB discussed the results of the outreach and research that the staff had been performing about the nature and causes of concerns about the reporting of climate-related risks in the financial statements. The IASB noted feedback that IFRS Accounting Standards are generally sufficient, but there are challenges in application. Therefore, to help improve application, the IASB:
 - (a) decided to explore the development of examples to help operationalise the principles and requirements in the Standards.
 - (b) decided to explore possible targeted amendments to improve disclosures about estimates in the financial statements. However, the development of estimates is an area that requires significant judgment, so consideration will need to be given to whether standard-setting can help and whether the benefits of standard-setting outweigh the risks of unintended consequences. In addition, because IFRS Accounting Standards are principles-based, if the IASB were to do any targeted standard-setting, it would not single out climate, but would cover uncertainties generally. Otherwise, we would need to constantly update our standards as uncertainties emerge in our ever-changing world. So, the IASB also decided to generalise the objective of the project to now cover climate-related and other uncertainties in the financial statements.
 - (c) observed that, given the pace of change, it would continue to monitor developments to determine whether additional actions are needed.
41. In conducting this work, the IASB staff will continue to be supported by colleagues from the ISSB to provide technical input on climate-related matters and to ensure that the IASB's work and that of the ISSB's are connected.

Power purchase agreements

42. Entities are increasingly entering into power purchase agreements (PPAs) for the procurement of renewable energy. PPAs are part of entities' commitment to mitigate the effects of climate change and to decarbonise their production processes and products.
43. In June 2023, the IFRS Interpretations Committee discussed a request about applying the 'own-use' exception in IFRS 9 *Financial Instruments* to physical delivery contracts to purchase energy. IFRS 9 states that contracts that can be settled net and are held for an entity's expected purchase, sale or usage requirements are accounted for as executory contracts and not as derivatives.
44. The Committee recommended the IASB consider undertaking a narrow-scope standard-setting project that focuses on how to apply those requirements to specified physical PPAs.
45. The IASB discussed this question in July 2023. In addition to the evidence gathered by the Interpretations Committee, the IASB observed that application questions also arise for purchases of renewable energy through virtual PPAs (contracts for differences). Therefore, the IASB decided to add a maintenance project to the work plan to research whether it is feasible to make narrow-scope amendments to IFRS 9 to better reflect the effect of PPAs on the financial statements. The IASB expects to decide project direction in Q1 2024.

Interpretations Committee

46. The Interpretations Committee met in June and September 2023. At those meetings, the Interpretations Committee published two tentative agenda decisions and voted to finalise three agenda decisions (see table in [Appendix B](#)). The IASB will discuss these agenda decisions at a future meeting. One of the agenda decisions includes material explaining how the applicable principles and requirements in IFRS Accounting Standards apply to the transaction or fact pattern described in the agenda decision.
47. At its June 2023 meeting, the Interpretations Committee decided to refer two matters to the IASB by recommending the IASB undertake narrow-scope standard-setting to address the matters. These matters relate to:
 - (a) *Power Purchase Agreements*—at its July 2023 meeting, the IASB decided to add a project to its work plan to research whether feasible narrow-scope amendments to IFRS 9 could be made for power purchase agreements. See paragraph 42–45 for further information.
 - (b) *Use of a Non-hyperinflationary Presentation Currency by a Non-hyperinflationary Entity*—the IASB will consider the Interpretations Committee's recommendation at a future IASB meeting.
48. At its June 2023 meeting, the Interpretations Committee also provided input on the IASB's projects on Business Combinations under Common Control and Climate-related Risks in the Financial Statements.
49. At 30 September 2023, there was one submission recently received that the Interpretations Committee has not yet considered.

Appendix A—Overview of projects on the Work Plan

[abbreviations: DP=Discussion Paper; ED=Exposure Draft; RFI=Request for Information; ASAF=Accounting Standards Advisory Forum; CMAC=Capital Markets Advisory Committee; GPF=Global Preparers Forum; EEG=Emerging Economies Group; SMEIG=SME Implementation Group; IFCG=Islamic Finance Consultative Group]

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ²
Research projects							
Business Combinations under Common Control	To explore possible reporting requirements that would reduce diversity in practice and improve the transparency and comparability of the reporting on business combinations under common control	Decide project direction	November 2023	Due to mixed feedback on project direction, decision has been postponed by two months to allow for further reflection.	• IASB continued deliberations during the period.	DP published Nov 2020 (comment period ended Sep 2021).	ASAF: Jul 2023 CMAC: Jun 2023 EEG: May 2023 GPF: Jun 2023
Extractive Activities	To explore: (a) developing requirements or guidance to improve the disclosure objectives and requirements about an entity's exploration and evaluation expenditure and activities to provide more useful information to primary users of financial statements (b) removing the temporary status of IFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i>	Project summary	December 2023	N/A (new milestone)	• IASB decided to stop work on project in September 2023.	n/a	ASAF: Mar 2021 CMAC: Mar 2019 EEG: Dec 2019

² Most recent discussion with each group highlighted

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ²
PIR of IFRS 15 Revenue from Contracts with Customers	To assess the effects of the new requirements on entities, users, auditors and regulators	Request for Information Feedback	Q1 2024	N/A (new milestone)	<ul style="list-style-type: none"> In June 2023 the IASB published the RFI <i>Post-implementation Review of IFRS 15 Revenue from Contracts with Customers</i>. Comments are due by 27 October 2023. 	RFI published Jun 2023	ASAF: Dec 2022 EEG: Dec 2022 IC: Nov 2022 GPF: Nov 2022 IFCG: Nov 2022 CMAC: Oct 2022
PIR of IFRS 9 – Impairment	To assess the effects of the new requirements on entities, users, auditors and regulators	Request for Information Feedback	Nov 2023	✓	<ul style="list-style-type: none"> IASB started this PIR in July 2022 Comment period on RFI open until September 2023. 	RFI published May 2023	ASAF: Sep 2022 CMAC: Oct 2022 GPF: Nov 2022 IFCG: Nov 2022
Standard-setting projects							
Business Combinations—Disclosures, Goodwill and Impairment	To explore whether entities can, at a reasonable cost, provide users with more useful information about the acquisitions those entities make. The IASB is considering ways to meet the objective though improving the disclosure requirements about business combinations and the subsequent accounting for goodwill	Exposure Draft	H1 2024	✓	<ul style="list-style-type: none"> In December 2022, the IASB added the project to its standard-setting work plan and changed the project title to Business Combinations—Disclosures, Goodwill and Impairment. IASB gave staff permission to begin balloting process for publication of the exposure draft 	DP published Mar 2020 (extended comment period ended Dec 2020)	ASAF: Jul 2023 CMAC: Mar 2023 EEG: Dec 2020 GPF: Mar 2023

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ²
Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures	To develop a reduced-disclosure IFRS Accounting Standard that would apply on a voluntary basis to subsidiaries that do not have public accountability	IFRS Accounting Standard	H1 2024	✓	<ul style="list-style-type: none"> The IASB gave staff permission to begin the balloting process for the final standard. 	ED published July 2021	ASAF: Mar 2023 GPF: Mar 2023 EEG: May 2023 SMEIG: Sep 2021
Dynamic Risk Management	To develop an accounting model to better reflect how an entity's interest rate risk management strategy may affect the amount, timing and uncertainty of future cash flows and the effect of risk management activities on its financial statements.	Exposure Draft	2025	✓	<ul style="list-style-type: none"> In November 2022 the IASB began discussions on the next phase in the development of the Dynamic Risk Model. IASB continued deliberations during the period. 	DP published in 2014	ASAF: July 2022
Equity method	To develop answers to application questions about the equity method, as set out in IAS 28 <i>Investments in Associates and Joint Ventures</i> , using the principles derived from IAS 28 where possible.	Exposure Draft	H2 2024	✓	<ul style="list-style-type: none"> Project moved from research to standard-setting work plan in April 2023. IASB continued deliberations during the period. 	n/a	ASAF: Sep 2023 GPF: Nov 2022 EEG: Dec 2021 CMAC: Mar 2023
Financial Instruments with Characteristics of Equity	To improve the information that entities provide in their financial statements about the financial instruments they have issued and address challenges with applying IAS 32 <i>Financial Instruments: Presentation</i>	Exposure Draft	November 2023	✓	<ul style="list-style-type: none"> Balloting of the exposure draft 	DP published Jun 2018	ASAF: Jul 2022 ASAF: Dec 2020 ASAF: Oct 2019 CMAC: Mar 2020 CMAC: Mar 2019 GPF: Nov 2018 EEG: Oct 2018 IFCG: May 2022

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ²
Management Commentary	To revise and update Practice Statement 1 <i>Management Commentary</i> issued in 2010	Decide Project Direction	H1 2024	Decision has been postponed from Q4 2023 to H1 2024 to enable IASB and ISSB to jointly discuss feedback on the ISSB's consultation on agenda priorities.	<ul style="list-style-type: none"> • Comment period on ED ended 23 November 2021 • The IASB received an update in Mar 2023 as part of an update on its work plan. • IASB discussed the staff's analysis of similarities and differences between the Management Commentary ED and the Integrated Reporting Framework in May 2023. • Staff monitoring ISSB's consultation on agenda priorities. 	ED published May 2021	<p>Management Commentary Consultative Group: Jul 2021 (private education session)</p> <p>IFRS Taxonomy Consultative Group: Nov 2021</p> <p>ASAF: Oct 2021 CMAC: Jun 2021 EEG: July 2021 GPF: Jun 2021 Advisory Council: Apr 2023 IRCC: Apr 2023</p>
Primary Financial Statements	To improve how information is communicated in the financial statements, with a focus on information in the statement of profit or loss including introducing a more disciplined and transparent approach to the reporting of management-defined performance measures (a subset of 'non-GAAP')	IFRS Accounting Standard	H1 2024	✓	<ul style="list-style-type: none"> • Balloting process underway 	ED published Dec 2019	<p>ASAF: Sep 2023 CMAC: Jun 2023 GPF: Jun 2023 ITCG: Feb 2023 EEG: May 2023</p>

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ²
Rate-regulated Activities	To develop a new accounting model to give users of financial statements better information about an entity's incremental rights and obligations arising from its rate-regulated activities	IFRS Accounting Standard	2025	✓	<ul style="list-style-type: none"> • IASB continued deliberations during the period. 	ED published Jan 2021	Consultative Group for Rate Regulation: Oct 2022 ASAF: Sep 2023 CMAC: Mar 2021 GPF: Mar 2021 EEG: May 2021
Second Comprehensive Review of the <i>IFRS for SMEs</i> Accounting Standard	To undertake the second periodic comprehensive review of the <i>IFRS for SMEs</i> Accounting Standard	IFRS for SMEs Accounting Standard	H2 2024	N/A (new milestone)	<ul style="list-style-type: none"> • Comment period on the Exposure Draft closed on 7 March 2023. • IASB discussed feedback in June 2023. • IASB continuing deliberations. 	ED published Sep 2022	ASAF: Jul 2022 EEG: Dec 2022 SMEIG: Jul 2023 IFCG: Nov 2022

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document
Maintenance projects						
Amendments to the Classification and Measurement of Financial Instruments	To make narrow scope amendments to IFRS 9 <i>Financial Instruments</i> to clarify the particular requirements for assessing a financial asset's contractual cash flow characteristics, including for financial assets with ESG-linked features; to address the accounting for electronic transfers of cash; and to require disclosures for investments in equity instruments to which the OCI presentation option is applied.	Final amendment	H1 2024	N/A (new milestone)	<ul style="list-style-type: none"> IASB published the Exposure Draft in March 2023. The comment period closed in July 2023, The IASB discussed feedback in September 2023. 	ED published Mar 2023
Annual Improvements	To address a variety of minor amendments.	Exposure Draft feedback	Q1 2024	N/A (new milestone)	<ul style="list-style-type: none"> Exposure Draft published in September 2023, with a comment period of 90 days. 	Exposure Draft published in September 2023
Climate-related risks in the financial statements	To explore whether and how financial statements can better communicate information about climate-related risks.	Decide project direction	Q1 2024	N/A (new milestone)	<ul style="list-style-type: none"> In Mar 2023 the IASB added this project to its work plan. In Sep 2023, IASB decided to explore development of examples and targeted standard-setting. 	n/a
Amendments to the IFRS for SMEs Accounting Standard – International Tax Reform – Pillar Two Model Rules	To consider an urgent amendment to Section 29 <i>Income Tax</i> of the <i>IFRS for SMEs Accounting Standard</i> to align with similar amendments to IAS 12 <i>Income Taxes</i> .	IFRS for SMEs Amendment	Sep 2023	n/a (new milestone)	<ul style="list-style-type: none"> In September 2023, the IASB issued the final amendments. This project has now been removed from the work plan. 	Final amendments published Sep 2023

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document
Lack of Exchangeability (Amendments to IAS 21)	To specify requirements to help entities assess when a currency is not exchangeable and the spot exchange rate to use in that situation.	IFRS Accounting Standard Amendment	Aug 2023	✓	<ul style="list-style-type: none"> In August 2023 the IASB issued <i>Lack of Exchangeability</i>, which amended IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i>. The project has now been removed from the work plan. 	Final amendments published August 2023
Power Purchase Agreements	To research whether narrow-scope amendments to IFRS 9 could be made for power purchase agreements	Discuss feedback	Dec 2023	N/A (new milestone)	<ul style="list-style-type: none"> The IASB added this project to its work plan based on a recommendation from the Interpretations Committee in response to a submission about the application of the 'own-use' exception in IFRS 9. 	n/a
Provisions—Targeted Improvements	To develop proposals for three targeted improvements to IAS 37: (i) aligning the IAS 37 liability definition and requirements for identifying liabilities with the <i>Conceptual Framework</i> ; and (ii) clarifying two aspects of the measurement requirements	Decide project direction	Dec 2023	✓	<ul style="list-style-type: none"> IASB continued deliberations and outreach during the period. 	n/a

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document
IFRS Accounting Taxonomy projects						
IFRS Accounting Taxonomy Update—Amendments to IAS 12, IAS 21, IAS 7 and IFRS 7	To reflect amendments to the following IFRS Accounting Standards: <ul style="list-style-type: none"> International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12) Lack of Exchangeability (Amendments to IAS 21) Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) 	Proposed IFRS Taxonomy Update	Oct 2023	Shift by five days to accommodate publication and other schedules, which crossed over the month end	Staff are currently drafting this PTU	N/A
IFRS Accounting Taxonomy Update – Common Practice (Financial Instruments and General Improvements)	To reflect improvements to the IFRS Accounting Taxonomy for extensions created by companies, including those relating to the presentation of financial instruments.	Proposed IFRS Taxonomy Update	Nov 2023	N/A (new milestone)		
IFRS Accounting Taxonomy Update – Primary Financial Statements	To consider changes to the IFRS Accounting Taxonomy resulting from the Primary Financial Statements project, which is proposing requirements for presentation and disclosure in financial statements, with a focus on the statement of profit or loss.	Proposed IFRS Taxonomy Update	2024	✓	Staff are currently developing this PTU	N/A

Appendix B—Due process documents published in the period

Standard-setting due process documents

Due process document	Due process stage	Date published	Due process reviewed by IASB ³	All applicable due process steps completed
Lack of Exchangeability (Amendments to IAS 21)	Final Amendments	August 2023	February 2023	✓
Annual Improvements	Exposure Draft	September 2023	May 2023	✓
Amendments to the IFRS for SMEs Accounting Standard – International Tax Reform – Pillar Two Model Rules	Final Amendments	September 2023	August 2023	✓

Other due process documents

Due process document	Due process stage	Date published	Due process reviewed by IASB ³	All applicable due process steps completed
Post-implementation Review of IFRS 15 <i>Revenue from Contracts with Customers</i>	Request for information	June 2023	May 2023	✓

³ Paragraph 4.16, 6.6 and 6.22–6.24 of the *Due Process Handbook* set out the due process requirements for the IASB when publishing a Discussion Paper, an Exposure Draft, and a new or amended Standard respectively. Before publishing these documents, the staff presents a summary of the due process steps to the IASB and asks the IASB to confirm that it is satisfied that all necessary steps have been completed. The DPOC receives a copy of this summary in advance of the Board discussion.

IFRS Accounting Taxonomy due process documents

Due process document	Due process stage	Date published	All applicable due process steps completed
None during the period			

Submissions discussed by the IFRS Interpretations Committee progressing towards an agenda decision

Topic	Current due process stage	Date published	Approved by Interpretations Committee	IASB not object ⁴	All applicable due process steps completed	Next step	Remarks
Merger between a Parent and Its Subsidiary in Separate Financial Statements (IAS 27)	Tentative agenda decision	14 June 2023	6 June 2023	N/A	✓	Tentative agenda decision feedback	The Interpretations Committee will consider feedback on the tentative agenda decision at a future meeting.
Payments Contingent on Continued Employment during Handover Periods (IFRS 3)	Tentative agenda decision	20 September 2023	12 September 2023	N/A	✓	Tentative agenda decision feedback	The Interpretations Committee will consider feedback on the tentative agenda decision at a future meeting.
Guarantee over a Derivative Contract (IFRS 9)	Tentative agenda decision feedback	20 September 2023	12 September 2023	The IASB will be asked whether it objects to the agenda decision at a future meeting.	✓	Agenda decision	The Interpretations Committee considered feedback on the tentative agenda decision at its September 2023 meeting.
Homes and Home Loans Provided to Employees	Tentative agenda decision feedback	20 September 2023	12 September 2023	The IASB will be asked whether it objects to the agenda decision at a future meeting.	✓	Agenda decision	The Interpretations Committee considered feedback on the tentative agenda decision at its September 2023 meeting.
Premiums Receivable from an Intermediary (IFRS 17 and IFRS 9)	Tentative agenda decision feedback	20 September 2023	12 September 2023	The IASB will be asked whether it objects to the agenda decision at a future meeting.	✓	Agenda decision	The Interpretations Committee considered feedback on the tentative agenda decision at its September 2023 meeting.

⁴ Paragraph 8.7 of the *Due Process Handbook* requires the IASB to be asked whether it objects to a (final) agenda decision approved by the Interpretations Committee before that agenda decision is published.