
IFRS Foundation Trustees meeting – Due Process Oversight Committee

Date **June 2024**
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 February to 24 May 2024.
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 6–12); and
 - (b) other matters occurring during the period for the attention of the DPOC (paragraphs 13–52).
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](#), notably IFRS 18 *Presentation and Disclosure in Financial Statements* and IFRS 19 *Subsidiaries without Public Accountability: Disclosures*. 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 February 2024, having completed re-deliberations on the respective exposure drafts, the IASB confirmed it was satisfied that it had complied with the applicable due process requirements and that it had undertaken sufficient consultation and analysis to begin the balloting process without re-exposure to issue final amendments for:
 - (a) *Annual Improvements to IFRS Accounting Standards—Volume 11*.
 - (b) *Amendments to the Classification and Measurement of Financial Instruments*.
8. In March 2024, the IASB decided on the comment periods, confirmed it was satisfied that it had complied with the applicable due process steps and confirmed that it should begin the balloting process to publish exposure drafts for:
 - (a) proposed amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* relating to power purchase agreements (90-day comment period, as approved by the DPOC in March 2024).
 - (b) proposed amendments to IAS 21 *The Effects of Changes in Exchange Rates* relating to the use of a hyperinflationary presentation currency by a non-hyperinflationary entity (120-day comment period).
 - (c) proposed amendments to IAS 28 *Investments in Associates and Joint Ventures* to address application questions about the equity method (120-day comment period).
9. In April 2024, the IASB decided on the comment periods, confirmed it was satisfied that it had complied with the applicable due process steps and confirmed that it should begin the balloting process to publish exposure drafts for:
 - (a) proposed examples to accompany IFRS Accounting Standards illustrating how to apply the requirements to report the effects of climate-related and other uncertainties in the financial statements (120-day comment period).
 - (b) proposed amendments to forthcoming IFRS 19 *Subsidiaries without Public Accountability: Disclosures* ('catch-up' exposure draft). This exposure draft will consult on reducing disclosure requirements arising from IFRS Accounting Standards that have been issued or amended since March 2021 (the cutoff date for disclosure requirements considered in the exposure draft related to IFRS 19) (120-day comment period).
10. In May 2024, the IASB decided that sufficient work had been completed to conclude the post-implementation review (PIR) of the impairment requirements in IFRS 9 *Financial Instruments* to begin the preparation of the Feedback Statement for this project, subject to DPOC review. See Agenda Paper 1C for this meeting.

Agenda paper compliance report¹

11. In the period February to 24 May 2024, all agenda papers discussed by the IASB and the Interpretations Committee were made available on the public website unaltered.
12. During the period one paper was posted after the posting deadline for the February 2024 meeting: [AP9F— Boundary of a Regulatory agreement \(addendum\)](#). The staff developed this paper to supplement [AP9A – Boundary of a Regulatory agreement](#). AP 9F summarised the recommendations in AP9A in a flowchart to address questions raised after the posting of AP9A.

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

Research and standard-setting updates

Business Combinations—Disclosures, Goodwill and Impairment

13. In March 2024, the IASB published its Exposure Draft *Business Combinations—Disclosures, Goodwill and Impairment*, with a 120-day comment period ending in July 2024. The Exposure Draft sets out a package of proposals that in the IASB's view would result in entities providing better information—at a reasonable cost—about acquisitions. Users of financial statements say they need better information to enable them to assess the price paid for an acquisition and whether the acquisition was successful. Users view acquisitions as a particularly large and risky form of capital deployment. The IASB has sought to balance user information needs with practical concerns about possible disclosure of information that could be, for example, commercially sensitive. Feedback on the Exposure Draft will help the IASB assess whether it has struck the appropriate balance. The IASB also expects these proposals, alongside its proposals to improve the impairment test, to address some concerns about impairment losses on goodwill being recognised too late.

Financial Instruments with Characteristics of Equity

14. The IASB's project on Financial Instruments with Characteristics of Equity is intended to address challenges with the classification of some complex financial instruments as either financial liabilities or equity when applying IAS 32 *Financial Instruments: Presentation* and improve the information that companies provide in their financial statements about these instruments.
15. The main objective of the project is to resolve questions that have existed in practice for many years and where diversity currently exists. The project is not a fundamental rewrite of the requirements in IAS 32 and the intention is to limit changes to classification outcomes to those in which sufficient evidence exists that such a change would provide more useful information.
16. In November 2023, the IASB published the Exposure Draft *Financial Instruments with Characteristics of Equity*. The proposals in the Exposure Draft include:
 - (a) clarification of the underlying classification principles of IAS 32 to help companies distinguish between financial liabilities and equity;

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.'

- (b) disclosures to further explain complexities around instruments that have both financial liability and equity characteristics; and
 - (c) presentation requirements for amounts—including profit and total comprehensive income—attributable to ordinary shareholders separately from amounts attributable to other holders of equity instruments.
17. The comment closed in March 2024 and the IASB began discussing feedback in May 2024.
18. Overall, there was disagreement on a number of aspects, but also agreement with some of the proposals. Stakeholders raised various concerns about the impact on specific instruments issued in some jurisdictions or the potential for new interpretation issues to arise. In addition, some stakeholders requested additional guidance, clarifications or examples on how to apply the principles in practice.
19. The IASB will consider comments in more detail as it redeliberates the proposals in future meetings.

Second Comprehensive Review of the IFRS for SMEs Accounting Standard

20. In September 2022, the IASB published the Exposure Draft *Third edition of the IFRS for SMEs Accounting Standard* (September 2022 Exposure Draft), with a comment period that ended in March 2023. The IASB maintains the *IFRS for SMEs Accounting Standard* through periodic review and proposes amendments to the Standard by publishing an omnibus exposure draft. The *IFRS for SMEs Accounting Standard* is based on IFRS Accounting Standards with modifications to reflect the information needs of users of SMEs' financial statements and cost benefit considerations (including the resources available to SMEs).²
21. The scope of this review is significant because it includes:
- (a) new and amended IFRS Accounting Standards issued since the first comprehensive review;
 - (b) IFRS Accounting Standards issued before the first comprehensive review. In the first comprehensive review the IASB focused on stability of the Standard. Consequently, a number of new and amended Standards were carried into the second comprehensive review; and
 - (c) general implementation experience and issues arising from applying the Standard.
22. The IASB is nearing completion of its technical redeliberations of feedback on the September 2022 Exposure Draft and expects to issue the third edition of the *IFRS for SMEs Accounting Standard* in H1 2025.
23. This timeframe represents a deferral of approximately a quarter of a year to:
- (a) conduct fieldwork on whether to introduce an expected credit loss model for SMEs that provide financing to customers as one of their primary businesses. The IASB has received significant feedback on its proposals in the September 2022 Exposure Draft and is considering whether and how to amend its proposals.
 - (b) incorporate any resulting amendments from the Addendum Exposure Draft published in April 2024. The Addendum Exposure Draft proposes updates to the *IFRS for SMEs Accounting Standard* for amendments to full IFRS Accounting Standards issued in 2023 to require:
 - (i) disclosures about supplier finance arrangements and

² The term 'SMEs' refers to entities that are eligible to apply the *IFRS for SMEs Accounting Standard* (that is, SMEs are entities that do not have public accountability and publish general purpose financial statements for external users).

- (ii) a consistent approach to assessing when a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

Management Commentary

24. The IASB published its Exposure Draft *Management Commentary* in May 2021. The Exposure Draft was broadly supported by stakeholders, in particular investors. In anticipation of the likely creation of the International Sustainability Standards Board (ISSB), many stakeholders called for the IASB to advance the project in collaboration with the ISSB.
25. Accordingly, the IASB effectively put its decision-making on the Management Commentary project on hold until the ISSB issued its inaugural Standards and determined its next agenda priorities.
26. The exposure draft seeks to update IFRS Practice Statement 1 *Management Commentary* (which dates back to 2011). It builds on innovations in narrative reporting and aims to address shortcomings in practice, including boilerplate information, a short-term perspective and insufficient information about key matters that can affect a company's prospects such as intangible resources and sustainability matters. Application of IFRS Practice Statement 1 is not required for companies to assert compliance with IFRS Accounting Standards and many regulators, instead, require application of their own requirements and guidance. In addition, application of the revised IFRS Practice Statement 1 can be helpful, but is not necessary, to apply the ISSB's IFRS Sustainability Disclosure Standards.
27. Since the Exposure Draft was issued, 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 ISSB's Standards published at the end of June 2023. Those Standards set out requirements for connections between the sustainability reporting and the financial statements.
 - (c) the publication of the ISSB's Consultation on its Agenda Priorities for its next two-year workplan (Agenda Consultation). Among other questions, the ISSB's Agenda Consultation sought feedback 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*, the Integrated Reporting Framework and other sources.
28. During the period:
 - (a) the ISSB decided to prioritise projects and activities other than a project on integration in reporting;
 - (b) the IASB discussed alternative approaches for the Management Commentary project, such as finalising the project, keeping the project on hold and retiring the project; and
 - (c) the IASB conducted targeted outreach, including with the Management Commentary Consultative Group, about alternatives for the way forward on the project.
29. The IASB will decide project direction in June 2024.

Intangible Assets

30. In April 2024, the IASB started a research project to comprehensively review the accounting requirements for intangibles.
31. This project is in response to feedback from the IASB's Third Agenda Consultation, in which stakeholders highlighted deficiencies in the reporting of intangible assets. Respondents raised matters

relating to all aspects of IAS 38 *Intangible Assets*, including its scope, its recognition and measurement requirements (including the difference in the accounting for acquired and internally generated intangible assets), and the adequacy of the information companies are required to disclose about intangible assets.

32. The project will assess whether the requirements of IAS 38 remain relevant and continue to fairly reflect current business models or whether the IASB should improve the requirements.
33. The IASB acknowledges that a comprehensive review of IAS 38 will be a large and complex project for the IASB and its stakeholders. Initial research will seek to define the scope of the project and explore how best to stage work on this topic to produce timely improvements to IFRS Accounting Standards.
34. Although the title of this project refers to intangible assets, the IASB will also consider whether the project should be limited to accounting for and disclosing information about financial statement elements—assets and expenses arising from expenditure on intangible items—or whether the project should aim to address intangible items more broadly.
35. The IASB will also consider the connections between this project and the work of the ISSB. For example, the IASB will consider connections with some information that IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* requires companies to disclose and consider connections with the ISSB's forthcoming research project on human capital.

Post-implementation reviews

36. The IASB has two PIRs underway: one on the impairment requirements in IFRS 9 *Financial Instruments* and one on IFRS 15 *Revenue from Contracts with Customers*.

PIR of impairment requirements in IFRS 9

37. The DPOC will separately discuss this PIR. See Agenda Paper 1C for this meeting.

PIR of IFRS 15

38. During the period, the IASB continued discussion of the feedback on the *Request for Information Post-implementation Review of IFRS 15 Revenue from Contracts with Customers* to decide what action, if any, should be prioritised based on the findings of the PIR. Feedback on the Request for Information largely indicated that IFRS 15 is working as intended.
39. The IASB is nearing completion of its discussions. Because IFRS 15 was developed as a converged standard with the US Financial Accounting Standards Board (FASB), in June 2024, the IASB and the FASB will meet to share their findings related to each board's post-implementation review. This discussion will enable each board to consider the implications on the converged requirements if either board seeks to undertake standard-setting. The IASB expects to finalise its decisions in July 2024 and publish a feedback statement later in the third quarter, subject to DPOC review.

Supporting consistent application

Maintenance projects (narrow-scope amendments)

Climate-related risks in the financial statements

40. IFRS Accounting Standards already require climate-related matters to be reflected in the financial statements when material. However, some stakeholders continue to express concerns that the information about the effects of climate-related risks in the financial statements is insufficient or appears inconsistent with information reported outside the financial statements. The IASB, therefore, decided to add a narrow-scope project to its work plan as part of its Third Agenda Consultation.
41. In March 2023, the IASB started work on this project. The project team includes a member of the ISSB Technical Staff, with support from an ISSB member, to provide expertise on climate-related matters and connectivity with the ISSB's work.
42. In September 2023, the IASB discussed the staff's research and outreach to identify the nature of concerns related to the reporting of climate-related risks in the financial statements, the possible causes of concerns and possible courses of action to help address the concerns. The work showed that:
 - (a) IFRS Accounting Standards are generally sufficient in requiring an entity to disclose information about climate-related risks in the financial statements. However, there might be challenges in the application of the Standards.
 - (b) some primary users of general purpose financial reports, which include financial statements and sustainability-related financial disclosures, need information that goes beyond the objective and scope of financial statements. These information needs may be satisfied through other disclosures, such as sustainability-related financial disclosures prepared applying IFRS Sustainability Disclosure Standards.
 - (c) the reporting landscape is evolving, particularly with developments in sustainability reporting, including the work of the ISSB. As entities prepare sustainability-related financial information, that process may help inform the application of IFRS Accounting Standards.
 - (d) stakeholders seek timely action to help improve the reporting of the effects of climate-related and other uncertainties in the financial statements.
43. Based on its discussion, not only for climate-related but all uncertainties:
 - (a) the IASB has been raising awareness of the requirements in IFRS Accounting Standards to report the effects of climate-related and other uncertainties in the financial statements. The IASB has created a [central source of educational material](#) on the IFRS Foundation website, including translations of those materials into various languages.
 - (b) IASB members have made speeches to explain the role of financial statements and the importance of complementary information in sustainability-related financial disclosures, such as those made applying IFRS Sustainability Disclosure Standards. Further articles and speeches are expected in the coming months.
 - (c) the IASB will expose for comment a package of examples illustrating how an entity might apply IFRS Accounting Standards to report the effects of climate-related and other uncertainties in the financial statements. The IASB is currently in the balloting process and expects to publish the exposure draft in July 2024.

These proposed examples do not change the requirements in the Standards. As proposed Illustrative Examples, they are not an integral part of the Standards and, as such, do not have an effective date or transition requirements. However, the IASB expects that the illustrative

examples might provide entities with additional insights into how to apply the Standards. Therefore, the IASB expects entities to be entitled to sufficient time to implement any changes to the information disclosed in their financial statements as a result of the issuance of the illustrative examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any change on a timely basis.

- (d) the IASB is exploring possible targeted amendments to the Standards to improve disclosures about estimates in the financial statements. The IASB expects feedback from the exposure draft to help inform the IASB about whether amendments to the Standards are needed.

- 44. In April 2024, the IASB also confirmed it did not object to finalisation of an Interpretations Committee agenda decision about whether an entity's commitment to reduce or offset its greenhouse gas emissions creates a constructive obligation for the entity, whether a constructive obligation created by such a commitment meets the criteria in the Standards for recognising a provision; and if a provision is recognised, whether the corresponding amount is recognised as an expense or as an asset when the provision is recognised.

Power purchase agreements

- 45. In response to the rapidly growing global market for renewable electricity contracts, the IASB is working on an urgent narrow-scope project to ensure that financial statements more faithfully reflect the effects that renewable electricity contracts have on a company. The proposals amend IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*.
- 46. Renewable electricity contracts (which are structured as physical or virtual power purchase agreements) aim to secure the stability of and access to renewable electricity sources. However, renewable electricity markets have unique characteristics. Renewable electricity sources depend on nature and its supply cannot be guaranteed. The contracts often require buyers to take and pay for whatever amount of electricity is produced, even if that amount does not match the buyer's needs at the time of production. These distinct market characteristics have created accounting challenges in applying the current accounting requirements, especially for long-term contracts.
- 47. To address these challenges, the IASB is proposing some targeted changes to the accounting for contracts with specified characteristics. The proposals would:
 - (a) address how the 'own-use' requirements would apply;
 - (b) permit hedge accounting if these contracts are used as hedging instruments; and
 - (c) add disclosure requirements to enable investors to understand the effects of these contracts on a company's financial performance and future cash flows.
- 48. The IASB added this project onto its agenda at the recommendation of the Interpretations Committee in July 2023. After extensive outreach and deliberation, it published an exposure draft in May 2024, with a 90-day comment period (as approved by the DPOC in March 2024).
- 49. The IASB will hold a supplementary meeting in August 2024 to discuss feedback on the exposure draft, with plans to finalise the amendments by the end of the year, subject to feedback received.

Interpretations Committee

- 50. The Interpretations Committee met in March 2024. At that meeting, the Interpretations Committee voted to finalise two agenda decisions (see table in Appendix B). The agenda decisions were published in April 2024 following the IASB's April 2024 meeting at which the IASB—in accordance with paragraph 8.7 of the *Due Process Handbook*—confirmed that it did not object to the agenda decisions.

51. The Interpretations Committee also provided input on the IASB's post-implementation review of the impairment requirements in IFRS 9.
52. At 24 May 2024, there was:
- (a) one tentative agenda decision whose comment period has ended (*Disclosure of Revenues and Expenses for Reportable Segments* (IFRS 8 *Operating Segments*)). The Interpretations Committee will consider feedback on the tentative agenda decision at a future meeting.
 - (b) one submission recently received that the Interpretations Committee has not yet considered.

Consultative groups

53. During the period, the IASB added a member to Islamic Finance Consultative Group, further diversifying its geographic and professional spread. In addition, a member, designated by an organisation represented in the Group, was replaced by another member designated by that organisation. As required by paragraph 3.66 of the *Due Process Handbook*, we will provide our annual report on the effectiveness of all consultative groups in October 2024.

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; IRCC=Integrated Reporting and Connectivity Council]

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ³
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	N/A – project completed	N/A – project completed	✓	• Staff published project summary April 2024. This project will now be removed from future reports.	Project Summary published April 2024.	ASAF: Jul 2023 CMAC: Jun 2023 EEG: Oct 2023 GPF: Jun 2023
Intangible Assets	To review the accounting requirements for intangibles. Initial research will seek to define the project's scope and explore how best to stage work on this topic to produce timely improvements to IFRS Accounting Standards.	Review Research	Q4 2024	N/A (new milestone)	• IASB met in April 2024 to start its research project and discuss initial work.	N/A	N/A
PIR of IFRS 9 – Impairment	To assess the effects of the new requirements on entities, users, auditors and regulators	Feedback Statement	Jul 2024	✓	• The IASB completed discussing feedback on the RFI. • The IASB is preparing the Feedback Statement for this PIR, subject to DPOC approval.	RFI published May 2023	ASAF: Mar 2024 CMAC: Mar 2024 GPF: Nov 2022 IFCG: May 2024 IC: Mar 2024

³ 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 ³
PIR of IFRS 15 Revenue from Contracts with Customers	To assess the effects of the new requirements on entities, users, auditors and regulators	Feedback Statement	Q3 2024	✓	<ul style="list-style-type: none"> The comment period for the RFI <i>Post-implementation Review of IFRS 15 Revenue from Contracts with Customers</i> ended on 27 October 2023. The IASB is currently discussing feedback on the RFI. 	RFI published Jun 2023	ASAF: Mar 2024 EEG: May 2024 IC: Nov 2022 GPF: Nov 2023 IFCG: Nov 2022 CMAC: Oct 2023
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 Feedback	H2 2024	N/A (new milestone)	<ul style="list-style-type: none"> IASB began outreach on the Exposure Draft during the period. 	ED published Mar 2024. (Comment period ends July 2024)	ASAF: Jul 2023 CMAC: Mar 2023 EEG: Dec 2020 GPF: May 2024 IFCG: May 2024
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	N/A – project completed	N/A – project completed	✓	<ul style="list-style-type: none"> IFRS 19 published May 2024. This project will now be removed from future reports. 	IFRS Accounting Standard published May 2024	ASAF: Mar 2023 GPF: Mar 2023 EEG: Oct 2023 SMEIG: Sep 2021

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ³
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	H1 2025	✓	<ul style="list-style-type: none"> IASB is performing further outreach. 	DP published in 2014	ASAF: July 2022 IFCG: May 2024
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	Q3 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 2023 EEG: Oct 2023 CMAC: Oct 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>	Decide Project Direction	Jul 2024	N/A (new milestone)	<ul style="list-style-type: none"> IASB discussed feedback on the exposure draft in May 2024. 	ED published Nov 2023	ASAF: Mar 2024 CMAC: Mar 2024 GPF: Mar 2024 EEG: Oct 2018 IFCG: May 2024

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ³
Management Commentary	To revise and update Practice Statement 1 <i>Management Commentary</i> issued in 2010	Decide Project Direction	Jun 2024	✓	<ul style="list-style-type: none"> • Comment period on ED ended 23 November 2021 • IASB discussed the staff's analysis of similarities and differences between the Management Commentary ED and the Integrated Reporting Framework in May 2023. • IASB met with ISSB in Jan 2024 to discuss feedback on ISSB's consultation on agenda priorities. • IASB met in March 2024 to receive an update on the project. 	ED published May 2021	Management Commentary Consultative Group: May 2024 Advisory Council: Apr 2023 ASAF: Oct 2021 CMAC: Jun 2021 EEG: July 2021 GPF: Jun 2021 IRCC: Apr 2023 IFRS Taxonomy Consultative Group: Nov 2021
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')	N/A	N/A	✓	<ul style="list-style-type: none"> • IFRS 18 published April 2024. • This project will now be removed from future reports. 	IFRS Accounting Standard published April 2024	ASAF: Dec 2023 CMAC: Jun 2023 GPF: Jun 2023 ITCG: Oct 2023 EEG: Oct 2023

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ³
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	✓	• IASB continued deliberations during the period.	ED published Jan 2021	Consultative Group for Rate Regulation: Nov 2023 ASAF: Mar 2024 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	<i>IFRS for SMEs</i> Accounting Standard	H1 2025	Publication deferred by accommodate additional fieldwork and incorporation of any resulting amendments from Addendum to the Exposure Draft (see below)	• IASB continued deliberations during the period.	ED published Sep 2022	ASAF: Jul 2022 EEG: Dec 2022 SMEIG: Dec 2023 IFCG: Nov 2022

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document
Maintenance projects						
Addendum to the Exposure Draft Third edition of the IFRS for SMEs Accounting Standard	To align the third edition of the <i>IFRS for SMEs Accounting Standard</i> with the requirements in full IFRS Accounting Standards for: (a) <i>Supplier Finance Arrangements</i> . (b) <i>Lack of Exchangeability</i> .	Exposure Draft Feedback	Q3 2024	N/A (new milestone)	<ul style="list-style-type: none"> Exposure Draft published March 2024, comments due by 31 July 2024. 	ED published Mar 2024
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	May 2024	✓	<ul style="list-style-type: none"> IASB published the Exposure Draft in March 2023. The comment period closed in July 2023. The IASB continued to discuss feedback in February 2024, and tentatively decided to begin the balloting process. 	ED published Mar 2023
Annual Improvements	To address a variety of minor amendments.	Final Amendment	Jul 2024	N/A (new milestone)	<ul style="list-style-type: none"> Exposure Draft published in September 2023, with a comment period of 90 days. In February 2024, the IASB met to discuss feedback on the Exposure Draft. 	ED published Sep 2023

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document
Climate-related and Other Uncertainties in the financial statements	To explore whether and how financial statements can better communicate information about climate-related and other uncertainties.	Exposure Draft	July 2024	N/A (new milestone)	<ul style="list-style-type: none"> In April 2024, the IASB decided to publish an exposure draft of illustrative examples and decided to begin the balloting process. 	n/a
Power Purchase Agreements	To research whether narrow-scope amendments to IFRS 9 could be made for power purchase agreements	Exposure Draft Feedback	Q3 2024	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. In May 2024, the IASB published the Exposure Draft <i>Contracts for Renewable Electricity</i>, comments due by 7 August 2024. 	ED published May 2024
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	Exposure Draft	H2 2024	✓	<ul style="list-style-type: none"> IASB continued deliberations and outreach during the period. 	n/a
Updating the Subsidiaries without Public Accountability: Disclosures Standard	To update IFRS 19 for IFRS Accounting Standards that have been issued or amended since the IASB published the Exposure Draft relating to IFRS 19 in July 2021	Exposure Draft	Jul 2024	✓	<ul style="list-style-type: none"> IASB deliberated proposals during the period. 	n/a

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document
Use of a Hyperinflationary Presentation Currency by a Non-hyperinflationary Entity (IAS 21)	To make targeted amendments about the use of a hyperinflationary presentation currency by an entity whose functional currency is not hyperinflationary.	Exposure Draft	Q3 2024	✓	<ul style="list-style-type: none"> IASB completed deliberating the proposals during the period and staff is in the process of preparing the Exposure Draft for balloting. 	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) 	N/A – project completed	N/A – project completed	✓	TU published March 2024. This project will now be removed from future reports.	IFRS Accounting Taxonomy 2023—Update 1 <i>International Tax Reform—Pillar Two Model Rules, Supplier Finance Arrangements and Lack of Exchangeability</i> .
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.	N/A – project completed	N/A – project completed	✓	TU published March 2024. This project will now be removed from future reports.	IFRS Accounting Taxonomy 2023—Update 2 <i>Common Practice for Financial Instruments, General Improvements and Technology Update</i> .
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 Feedback	H2 2024	N/A (new milestone)	PTU published May 2024, with comments due 3 Sep 2024.	IFRS Accounting Taxonomy 2024—Proposed Update 1 <i>IFRS 18 Presentation and Disclosure in Financial Statements</i>

<p>IFRS Accounting Taxonomy Update—Subsidiaries without Public Accountability: Disclosures and Amendments to IFRS 7 and IFRS 9</p>	<p>To consider changes to the IFRS Accounting Taxonomy resulting from:</p> <ul style="list-style-type: none"> • IFRS 19 Subsidiaries without Public Accountability: Disclosures, expected to be issued in Q2 2024; and • Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), expected to be issued in Q2 2024. 	<p>Proposed Taxonomy Update</p>	<p>Q3 2024</p>	<p>✓</p>	<p>Staff are currently developing this PTU</p>	<p>N/A</p>
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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 ⁴	All applicable due process steps completed
<i>Business Combinations—Disclosure, Goodwill and Impairment</i>	Exposure Draft	March 2024	September 2023	✓
Addendum to the Exposure Draft <i>Third edition of the IFRS for SMEs Accounting Standard</i>	Exposure Draft	March 2024	December 2023	✓
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	IFRS Accounting Standard	April 2024	July 2023	✓
<i>Contracts for Renewable Electricity</i>	Exposure Draft	May 2024	March 2024	✓
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	IFRS Accounting Standard	May 2024	July 2023	✓

IFRS Accounting Taxonomy due process documents

Due process document	Due process stage	Date published	All applicable due process steps completed
IFRS Accounting Taxonomy 2023—Update 1 <i>International Tax Reform—Pillar Two Model Rules, Supplier Finance Arrangements and Lack of Exchangeability.</i>	Taxonomy Update	March 2024	✓
IFRS Accounting Taxonomy 2023—Update 2 <i>Common Practice for Financial Instruments, General Improvements and Technology Update.</i>	Taxonomy Update	March 2024	✓
IFRS Accounting Taxonomy Update— <i>Primary Financial Statements</i>	Proposed Taxonomy Update	May 2024	✓

⁴ 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.

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 ⁵	All applicable due process steps completed	Next step	Remarks
Payments Contingent on Continued Employment during Handover Periods (IFRS 3)	Agenda decision	29 April 2024	5 March 2024	25 April 2024	✓	N/A	N/A
Climate-related Commitments (IAS 37)	Agenda decision	29 April 2024	5 March 2024	25 April 2024	✓	N/A	N/A
Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8)	Tentative agenda decision	7 December 2023	28 November 2023	N/A	✓	Tentative agenda decision feedback	The Interpretations Committee will consider feedback on the tentative agenda decision at a future meeting.

⁵ 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.