IFRS® Foundation

April 2026

Due Process Handbook

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1. Introduction

1.1 The objective of the IFRS Foundation (Foundation) is to develop, in the public interest, high-quality, understandable, enforceable and globally accepted standards for general purpose financial reporting based on clearly articulated principles. The Standards—IFRS Accounting Standards and IFRS Sustainability Disclosure Standards—are collectively referred to as *IFRS Standards* (Standards). The Standards are set by the Foundation's two independent standard-setting bodies, the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB)—collectively referred to as the boards. In carrying out the Foundation's mission, the IASB and the ISSB develop complementary sets of standards that are intended to result in the provision of high-quality, transparent and comparable information in financial statements and sustainability disclosures that is useful to investors and other primary users of general purpose financial reports[1] in making decisions relating to providing resources to an entity. The confidence of all users of general purpose financial reports in the transparency and usefulness of those reports is critically important for the effective functioning of capital markets, efficient capital allocation, global financial stability and sound economic growth. While the Standards are intended to work well together, IFRS Accounting Standards and IFRS Sustainability Disclosure Standards can be applied separately from each other, and alongside other parties' materials.

1.2 The IFRS Foundation *Constitution* (*Constitution*) gives the boards full discretion in developing and pursuing their technical programmes and in organising their work. The Trustees of the IFRS Foundation (Trustees) and the boards have established consultative procedures with the objective of ensuring that, in exercising their independent decision-making, the boards conduct their standard-setting in a transparent manner, considering a full range of views from interested parties throughout all stages of the development of the Standards. (Where this document refers to the development of a Standard or an amendment to a Standard, the same process also applies to the development of an *IFRS for SMEs* Accounting Standard or an amendment to the *IFRS for SMEs* Accounting Standard.) Each board uses these consultative procedures to better understand the financial reporting matter it plans to address (including the various potential alternative financial reporting treatments), enhance the quality of new requirements and gain insight into the likely effects of those requirements. A comprehensive and effective due process is essential to developing high-quality Standards that serve investors and other primary users of general purpose financial reports.

1.3 The IFRS Interpretations Committee (Interpretations Committee) assists the IASB in improving financial reporting through timely assessment, discussion and resolution of financial reporting matters identified to it that are related to the application of IFRS Accounting Standards.

1 The terms 'primary users' and 'users' refer to those existing and potential investors, lenders and other creditors who rely on general purpose financial reports for much of the financial information they need.

1.4 The boards, the Interpretations Committee and the Trustees are assisted by the Foundation's staff. In this document, 'Foundation staff' refers to all staff and 'technical staff' refers to staff who assist the boards and the Interpretations Committee.

1.5 This *Due Process Handbook* (*Handbook*) describes the due process requirements of the boards and the Interpretations Committee relating to their technical activities, including standard-setting, the development of material to support the consistent application of the Standards, the IFRS Taxonomies, the *SASB Standards* and the *SASB Standards Taxonomy*.[2] These requirements reflect and further the due process that is set out in the *Constitution*. The boards apply the same requirements, except the ISSB does not have an equivalent of the Interpretations Committee and does have a due process for the SASB Standards and the SASB Standards Taxonomy that is not applicable to the IASB.

1.6 The due process requirements are based on the principles of transparency, full and fair consultation—considering the perspectives of those affected by the Standards globally—and accountability. Because the boards and the Interpretations Committee are continually striving to improve how they consult and operate, they will often perform steps and procedures over and above those described in the *Handbook* (for example, issuing additional consultation documents not specifically described in the *Handbook*). The boards and the Trustees' Due Process Oversight Committee (DPOC) (see Section 2) periodically review how the boards and the Interpretations Committee are operating to assess whether some of these additional steps should be embedded into their due process. Such reviews could also result in the removal or amendment of due process steps that impede, rather than enhance, the efficient and effective development of the Standards and material to support their consistent application. The DPOC seeks to ensure that the *Handbook* achieves a balance between timely development of high-quality standards and a thorough due process.

1.7 The due process for the boards and the Interpretations Committee:

(a) specifies the mandatory steps to be taken so that their activities have benefited from a thorough and effective consultation process (see paragraphs 3.45–3.46);

(b) identifies the non-mandatory steps to be considered under the 'comply or explain' approach, meaning that the non-mandatory steps in the process are still recommended and non-compliance with them would require an explanation (see paragraphs 3.47–3.48); and

(c) identifies other, optional, steps available to them to help improve the quality of the Standards and related documents.

2 The Trustees' Due Process Oversight Committee is responsible for overseeing the due process of the boards' technical activities, including activities relating to materials not specifically referenced in the *Handbook*, such as the Integrated Reporting Framework.

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1.8 The due process relating to the SASB Standards and the SASB Standards Taxonomy is described in Annex A. The due process relating to the IFRS Taxonomies is described in Annex B. References to the IFRS Taxonomies also appear in the main body of this *Handbook* where applicable.

2. Oversight

Mission

2.1 The Trustees are responsible for oversight of the boards and the Interpretations Committee. Overseeing the due process of the boards and the Interpretations Committee is undertaken by the Trustees through the DPOC. The DPOC operates in a manner that is timely and enhances rather than hinders the efficient operation of the boards and the Interpretations Committee, and the timely development of the Standards and material to support their consistent application.

2.2 The DPOC is accountable to the Trustees and is responsible for ensuring that the boards and the Interpretations Committee follow the due process set out in this *Handbook*. Improvements to due process, including those to reflect good practice, are made when the DPOC considers it to be necessary.

2.3 The DPOC exercises ongoing oversight over the due process activities of the boards and the Interpretations Committee. The DPOC achieves oversight through the defined and transparent steps it follows in its regular activities, as well as by responding to matters raised by stakeholders about the standard-setting process.

2.4 The DPOC's activities are limited to matters of due process. The DPOC does not consider or review technical financial reporting matters on which a board or the Interpretations Committee has decided. As the *Constitution* makes clear, these decisions are solely the responsibility of the relevant board.

2.5 The DPOC is supported by staff who are responsible for managing Trustee activities and have no involvement in the boards' technical activities.

Areas of responsibility

2.6 The DPOC is responsible for:

(a) reviewing regularly and in a timely manner, together with representatives of each board and the Foundation staff, the due process activities of the boards and the Interpretations Committee, including standard-setting and the development of material to support the consistent application of the Standards, the IFRS Taxonomies, the SASB Standards and the SASB Standards Taxonomy;

(b) reviewing and proposing updates to the procedures in the *Handbook*, including updates to procedures to reflect good practice;

(c) reviewing the composition of *consultative groups* to ensure an appropriate balance of perspectives and overseeing the monitoring by the relevant boards and the technical staff of the effectiveness of those groups;

(d) considering correspondence from third parties about due process matters, in collaboration with the Foundation staff; and

(e) making recommendations to the Trustees about changes that are related to the composition of committees that are integral to due process and whose members are appointed by the Trustees.

Process

2.7 The DPOC exercises oversight throughout the development of a new Standard or an amendment to a Standard, an *IFRIC Interpretation* (Interpretation), an update to an IFRS Taxonomy, an amendment to the SASB Standards[3] or the SASB Standards Taxonomy, including agenda-setting and *post-implementation reviews*. The DPOC operates through periodic reporting by, and dialogue with, representatives of each board, the Interpretations Committee and the Foundation staff.

2.8 For each technical project, before any new Standard or amendment to a Standard or Interpretation is issued, the relevant board assesses whether it has complied with its due process requirements, based on a technical staff paper that:

(a) sets out the process that was undertaken, the extent of stakeholder engagement and the areas in the proposed Standard or Interpretation that are likely to be controversial;

(b) provides evidence and evaluation of the process that was undertaken;

(c) explains the reasons why the board decided not to undertake a non-mandatory 'comply or explain' step (see paragraphs 3.47–3.48);

(d) summarises any matters raised about due process; and

(e) states whether, in the technical staff's opinion, applicable due process steps have been complied with.

These technical staff papers are provided to the DPOC and made available on the Foundation's website.

2.9 During its periodic dialogue with representatives of the boards and the Foundation staff, the DPOC reviews and evaluates the evidence of compliance with the due process requirements provided by those representatives. The DPOC also considers any matters raised about due process. In addition, before a board issues any new Standard or major amendment to a Standard, the DPOC reviews and evaluates the due process undertaken in developing the Standard or major amendment and confirms that it has completed its review of the due process. The conclusions of that review and evaluation, including

3 In this document, references to 'an amendment to the SASB Standards' includes the development of a new SASB Standard.

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the identification of any due process concerns, are included in the reports described in paragraph 2.13(d).

2.10 The DPOC, through its own contact with stakeholders, responds as appropriate to matters raised about the due process of a board or the Interpretations Committee and ensures that such matters are addressed satisfactorily (see Section 9).

2.11 There is currently no intention to verify the information provided by a board because of the transparent manner in which the boards and the DPOC operate. However, the DPOC can request a review by the staff who assist the work of the Trustees of any information provided to it.

2.12 The DPOC reaches its decisions by a simple majority vote.

Communication

2.13 The DPOC operates transparently and with fair consideration of the matters raised by stakeholders. To achieve this the DPOC:

(a) meets in public, ensuring that meeting papers and recordings of the meetings are made available on the Foundation's website.

(b) updates the Trustees on its activities at regularly scheduled Trustee meetings and at other times as required.

(c) provides updates to the IFRS Foundation Monitoring Board on behalf of the Trustees at regularly scheduled joint sessions with the Trustees and at other times as required.

(d) provides reports of its conclusions and discussions on the Foundation's website promptly after its meetings. The reports include details of all the matters discussed, including any assessments by the DPOC of a board's compliance with due process in its technical activities.

(e) prepares an annual report of its activities for the Trustees.

(f) makes this *Handbook* and any other DPOC governance documents available on the Foundation's website.

3. Principles

3.1 The due process requirements are based on the principles of:

(a) transparency—the boards and the Interpretations Committee conduct their activities in a transparent manner;

(b) full and fair consultation—considering the perspectives of stakeholders globally; and

(c) accountability—the boards analyse the likely effects of new requirements on affected parties and explain the rationale for the decisions they reached in developing or amending the Standards.

Transparency

Public meetings, voting and balloting

Public meetings

3.2 Meetings of each board, the boards together (joint boards) and the Interpretations Committee to discuss technical matters are held in public. Meetings are webcast live except in exceptional circumstances (for example, due to technical problems) and recordings of meetings are made available on the Foundation's website. Members of the public can observe meetings in person, subject to available space and prior registration. The boards and the Interpretations Committee can meet privately to discuss administrative and other non-technical matters. Although the boundary between technical and non-technical matters is sometimes difficult to define, the boards and the Interpretations Committee use their best endeavours to uphold the principle that full and open consideration of technical matters should take place during public meetings.

3.3 Summaries of the decisions reached in each board meeting and in joint board meetings are published in meeting summaries called the *IASB Update*, *ISSB Update* and *IASB–ISSB Update*. Decisions of the Interpretations Committee are published in a meeting summary called the *IFRIC Update*. These summaries are made available on the Foundation's website.

3.4 The regular meetings of the boards and the Interpretations Committee are planned as far in advance as is practicable to help the technical staff, board and Interpretations Committee members, and stakeholders prepare for those meetings.

3.5 The meeting schedule is published on the Foundation's website. Occasionally, a board will need to hold a meeting at short notice. The Chair of the relevant board can convene such meetings at any time. In all but exceptional circumstances, a forthcoming board meeting will be announced on the Foundation's website with a minimum of 24 hours' notice.

Papers and public access

3.6 The technical staff is responsible for developing technical staff papers with recommendations and supporting analysis for consideration by the relevant board or the Interpretations Committee in their public meetings.

3.7 The objective of technical staff papers is to provide sufficient information for board or Interpretations Committee members to make informed decisions on technical matters. In developing papers, the technical staff is expected to conduct research, including seeking advice from board members. However, the technical staff's recommendations ultimately reflect the views of technical staff, after consideration of their research.

3.8 Technical staff papers are normally distributed at least 10 days before they are scheduled for discussion to allow board and Interpretations Committee members sufficient time to consider and assess the recommendations.

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3.9 Sometimes it is necessary to distribute technical staff papers closer to the meeting date, sometimes even on the day of the meeting. Board and Interpretations Committee members can, for example, ask for additional analysis during a meeting, which the technical staff prepares and distributes at a later session of that meeting.

3.10 It is the responsibility of board and Interpretations Committee members to assess whether they have sufficient information and time to be able to make decisions on the technical staff's recommendations.

3.11 Material discussed by board or Interpretations Committee members in their public meetings, including papers prepared by the technical staff, is usually made available on the Foundation's website. The Chair or Vice-Chair of the relevant board has the discretion to withhold papers or parts of papers if they decide that making the material publicly available would be harmful to individual parties (for example, if the information is commercially sensitive or releasing it could breach a law or regulation). The DPOC expects that withholding material in such circumstances would be rare and that most papers of the boards and the Interpretations Committee would be publicly available in their entirety.

3.12 The technical staff for each board is required to report to the board and the DPOC at least annually on the extent to which material discussed by the board or the Interpretations Committee has not been made available on the Foundation's website and the main reasons for not 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.

3.13 Despite the importance of technical staff papers, the technical staff can supplement the papers orally at a board or Interpretations Committee meeting, drawing from research, consultations with consultative groups and other interested parties, and comments and information gained from *public hearings*, *fieldwork*, education sessions and *comment letters*.

Voting

3.14 Table 1 specifies the minimum voting requirements to issue a Standard or an amendment to a Standard and to publish other documents (see the given paragraph numbers for more information about each document, and paragraphs 3.15 and 3.16 for definitions).

Table 1—Minimum voting requirements for documents

Documents	Voting requirements
Request for information (4.18)	Simple majority in a public meeting attended by at least 60% of a board's members
Research paper (4.18)	

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Documents	**Voting requirements**
Discussion paper (4.18)	Simple majority, by way of ballot
Exposure draft of a new or amended IFRS Standard (6.10) Proposed *IFRS for SMEs* Accounting Standard (6.10) New or amended IFRS Standard (6.27) *IFRS for SMEs* Accounting Standard (6.27)	Supermajority, by way of ballot
Practice guidance (6.42)	Supermajority, by way of ballot
Conceptual Framework for Financial Reporting (4.23)	Supermajority, by way of ballot
Draft IFRIC Interpretation (7.8, 7.10)	No more than four members of the Interpretations Committee object, by way of ballot No more than three IASB members object during the Interpretations Committee's balloting process
IFRIC Interpretation (7.18, 7.23)	No more than four members of the Interpretations Committee object, by way of ballot Ratification by the IASB with a supermajority, in a public meeting
Exposure draft of proposed amendments to the SASB Standards (A4) Amendments to the SASB Standards (A4)	Ratification by the ISSB with a supermajority, in a public meeting
Proposed SASB Standards Taxonomy update (A15) SASB Standards Taxonomy update (A15)	Ratification by the ISSB with a supermajority, by way of ballot

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Documents	Voting requirements
Proposed IFRS Taxonomy update (B16)	Supermajority, by way of ballot
IFRS Taxonomy update (B16)	

3.15 A *simple majority* of a board requires that:

(a) when voting by ballot, more than half of the board members ballot in favour of publishing a document; and

(b) when voting in a public meeting, more than half of the board members present at a public meeting attended by at least 60% of the board members in person or virtually vote in favour of publishing a document.

3.16 A *supermajority* of a board requires that:

(a) eight members ballot or vote in favour of publishing a document if the board has 13 or fewer members; and

(b) nine members in favour if the board has 14 members.

3.17 If the IASB and the ISSB decide to publish a document jointly, each board separately applies the voting requirements for that document. For example, publication of a joint *exposure draft* requires a supermajority of the IASB and a supermajority of the ISSB, in each case by way of ballot.

3.18 In addition to the documents listed in Table 1, a *simple majority* of the board members present at a public meeting attended by at least 60% of the board members in person or virtually is required to add a standard-setting project to a board's work plan, to discontinue a project, or to make decisions about creating consultative groups, undertaking fieldwork and other due process matters.

3.19 Abstaining is always equivalent to voting against a document or a proposal. In the event of a tied vote on a decision to be made by a simple majority of the members present at a public meeting, the Chair of the relevant board has an additional casting vote.

Meeting procedures

3.20 Board meetings can be held in person, virtually or as a hybrid of the two. Board members are typically expected to attend meetings in person unless the meeting is virtual or hybrid. The quorum for a board is 60% of the members, present in person or virtually. Proxy voting by members of a board is not permitted.

3.21 The Interpretations Committee meets in public and follows procedures similar to those of the boards for its meetings. The quorum for a meeting of the Interpretations Committee is 10 voting members present in person or virtually. Each voting member of the Interpretations Committee has one vote.

Members vote in accordance with their own independent views, not as representatives of any firm, organisation or constituency. Proxy voting by members of the Interpretations Committee is not permitted.

3.22 The Chairs of the boards and the Interpretations Committee can invite other people to attend meetings as advisers if specialised input is required. An Interpretations Committee member, or an appointed observer, can, with the prior consent of the Chair, bring to a meeting an adviser who has specialised knowledge of a topic that is being discussed. Such invited advisers have the right to speak.

3.23 During the development of a document such as a *discussion paper*, exposure draft or Standard, the boards discuss technical matters in public meetings. A simple majority in favour of a technical alternative is generally sufficient to guide the technical staff in developing the project (see paragraph 3.18). During such meetings board members are often asked to indicate to the technical staff which technical alternative they support. These tentative votes on particular technical matters provide the technical staff with direction from the board to develop the due process document, but are not part of the formal approval process. Individual board members might prefer an alternative financial reporting treatment to the one supported by a majority of the board, but nevertheless conclude that the project proposals as a whole would improve financial reporting.

Balloting

3.24 Balloting is the formal process by which board members assent to the publication or issuance of a document or Interpretations Committee members assent to the publication of a draft Interpretation or the issuance of an Interpretation before sending it to the IASB for ratification (see Table 1). Balloting takes place outside of meetings.

3.25 In its public meetings, a board or the Interpretations Committee makes technical decisions that relate to recognition, measurement, presentation or disclosure matters. The technical staff is responsible for ensuring that the issued or published document reflects those decisions.

3.26 The balloting process includes an opportunity for members of a board or the Interpretations Committee to review one or more drafts of a document to evaluate whether the drafting is consistent with their technical decisions. Members also review the clarity and completeness of the document and its consistency, both internally and with other Standards. Any dissenting opinions are incorporated into the pre-ballot and ballot drafts for other board members to see before balloting is completed.

3.27 Before a document is balloted, the technical staff usually prepares one or more pre-ballot drafts, which members of the board or the Interpretations Committee respond to with comments.

3.28 Sometimes the balloting process reveals an uncertainty about a technical matter, for example because the decision reached is not as clear as it first appeared. In other cases, the balloting process might highlight inconsistencies between sections of a Standard or other matters that were not discussed at a

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board or Interpretations Committee meeting. Such technical matters are usually resolved by having the technical staff prepare a technical staff paper for discussion at a public meeting of the board or the Interpretations Committee as a *sweep issue*. A sweep issue is resolved by a simple majority of the board or the Interpretations Committee. Taking a sweep issue to the board or the Interpretations Committee does not cause the balloting process to start again.

3.29 To support the consistent application of the Standards internationally, the boards aim to develop Standards that are clear, understandable and enforceable. In addition, the boards provide the necessary implementation guidance and illustrative examples to accompany the Standards, consistent with a principle-based approach.

3.30 While drafting new Standards, the boards are conscious that many of those applying or using the Standards work with translated versions of the Standards prepared in English. As part of the balloting process the technical staff liaises with the Foundation translations staff and IFRS Taxonomy staff to evaluate whether the document can be translated from English into other languages and incorporated into an IFRS Taxonomy. Before publication, all documents subject to ballot undergo review by the Foundation editorial staff.

3.31 Once the technical staff has assessed that a document is ready for voting, it circulates a ballot draft. Board or Interpretations Committee members vote on this document. Voting can be carried out using paper or electronic means.

3.32 After balloting, the technical staff can make drafting changes to improve the clarity of the document. Such changes are permitted provided they do not change the technical decisions. The technical staff circulates to the board or the Interpretations Committee a post-ballot draft showing the final changes.

Drafts for editorial review

3.33 A board normally seeks input from people outside the Foundation on the drafting of new Standards or amendments to Standards, Interpretations, major exposure drafts and discussion papers. For convenience, a draft document that is distributed for such input is referred to as a *draft for editorial review*. A draft for editorial review might be distributed to a specific group of reviewers, such as members of a consultative group, the Interpretations Committee and other standard-setters or parties that have provided feedback on the project. It might also be made available on the Foundation's website while it is with the group of reviewers.

3.34 A draft for editorial review has a limited purpose. It does not constitute, nor is it a substitute for, a step in the due process. Instead, it is an editorial review in which reviewers are asked for feedback on whether the document contains any internal inconsistencies or inconsistencies with other Standards, and whether it clearly describes:

(a) the requirements for a Standard or Interpretation;

(b) the proposed requirements for an exposure draft; or

(c) the matters considered by a board and that board's preliminary views for a discussion paper.

Because reviewers are conveying their personal views instead of those of their organisation, their comments are not usually made public.

3.35 Editorial review by reviewers outside the Foundation is not a mandatory step.

Information on the IFRS Foundation website

3.36 The Foundation's website is the platform that communicates the activities and due process of the boards and the Interpretations Committee.

3.37 All public materials of the boards and the Interpretations Committee, including those related to due process, are made freely available on the Foundation's website. These materials include work plans, meeting schedules and agendas, public papers, summaries and recordings of meetings, consultation documents, comment letters and material that supports the consistent application of the Standards. Work plans are updated periodically to reflect estimated project timelines based on recent board and Interpretations Committee decisions. The Foundation's website also includes materials relating to meetings of consultative groups.

3.38 Each project has its own project page with information on the progress on that project.

3.39 Information related to the DPOC's work is made freely available on the Foundation's website.

Education sessions, small group meetings and assigned board members

3.40 In addition to public decision-making meetings, each board and the joint boards can hold education sessions and small group meetings.

Education sessions

3.41 Education sessions can be held before board meetings to give board members a chance to seek clarification about points in the technical staff papers and discuss details of, or disagreements with, approaches with the technical staff in advance of the decision-making meeting. Education sessions are held in public and follow the same principles of transparency that apply to a board meeting.

Private and small group meetings

3.42 Board members can meet privately to discuss technical matters, sometimes at the request of the technical staff. Such small group meetings must not undermine the principle that full and open consideration of technical matters should take place during public meetings. The number of board members attending a small group meeting is restricted so that the board members attending cannot form a potential blocking minority during balloting (see Table 1). For example, if a board has 14 members, a supermajority of board members is nine members (see paragraph 3.16). Consequently, the maximum number of board members that can attend a small group meeting is five. If a

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board has 12 members, a supermajority of board members is eight members and therefore the maximum number of members that can attend a small group meeting is four.

Board advisers

3.43 All board members and Interpretations Committee members are responsible for the decisions they make while developing Standards and Interpretations. Some projects are assigned specific board members as board advisers; these advisers can include members of the other board. Board advisers provide strategic and technical advice on the project to the technical staff. The technical staff has responsibility for the technical staff papers and their recommendations. Recommendations made in technical staff papers do not necessarily reflect the views of the board advisers. The number of board advisers is restricted so that the board members cannot form a potential blocking minority during balloting (see Table 1).

Full and fair consultation

3.44 The boards and the Interpretations Committee operate on the principle that consultation with their stakeholders throughout the standard-setting process enhances the quality and credibility of the Standards and promotes co-operation and communication with parties interested in the standard-setting process. This consultation can be carried out through various means including invitations to comment, individual meetings and fieldwork. Some consultation procedures are mandatory. Other consultation procedures are not mandatory but are considered by the relevant board and, if the board decides that such a procedure is not necessary, it gives the DPOC its reasons for not taking that step.

Mandatory steps

3.45 The boards and the Interpretations Committee are required to follow some specified steps before they can issue a Standard or an Interpretation. These steps are designed to be the minimum steps necessary to safeguard the integrity of the standard-setting.

3.46 The mandatory due process steps include:

(a) debating any proposals at public meetings;

(b) exposing for public comment a draft of any proposed new Standard, proposed amendment to a Standard or proposed Interpretation, with a minimum comment period;

(c) considering in a timely manner comment letters received on the proposals;

(d) considering whether the proposals should be re-exposed;

(e) consulting the *Accounting Standards Advisory Forum* (ASAF), the *Sustainability Standards Advisory Forum* (SSAF) and the *IFRS Advisory Council* (Advisory Council) on the work plan, major projects, proposals to add projects to the work plan and work priorities; and

(f) deciding in a public IASB meeting whether to ratify an Interpretation.

Non-mandatory 'comply or explain' steps

3.47 Other steps specified in the *Constitution* are not mandatory. These steps include:

(a) publishing a discussion document for major projects (for example, a discussion paper) before an exposure draft is developed;

(b) creating consultative groups or other types of specialist advisory groups for major projects;

(c) holding public hearings; and

(d) undertaking fieldwork.

3.48 If a board decides not to undertake any of those non-mandatory steps, it informs the DPOC of its decision and reasons for not undertaking the steps.

Investors

3.49 The boards are responsible for developing Standards that are intended to result in the provision of high-quality, transparent and comparable information that is useful for investors and other primary users of general purpose financial reports in making decisions relating to providing resources to an entity.

3.50 The boards take additional steps to consult investors and investment intermediaries, such as analysts, throughout the standard-setting process because these groups can be under-represented as submitters of comment letters. These additional steps could include surveys, webcasts, private meetings and meetings with representative groups, such as the Capital Markets Advisory Committee and the ISSB Investor Advisory Group. Feedback from these consultations is summarised in technical staff papers and is considered along with comment letters in public board meetings. The reporting of this feedback is as transparent as possible, while respecting necessary confidentiality.

3.51 As a project progresses, the boards report to the DPOC on how they have consulted with investors and their intermediaries. This information is part of the periodic reporting by the boards to the DPOC (see paragraph 2.7) and the review of due process at the end of a project (see paragraph 2.9). The boards need to be satisfied that they have gathered sufficient information from investors to make informed decisions about proposed new requirements.

Standard-setting bodies

3.52 The boards are supported by a network of national accounting and sustainability disclosure standard-setting bodies and regional bodies. In addition to performing functions within their mandates, such bodies can perform research, provide input on the boards' priorities, facilitate or co-operate on outreach, encourage input from stakeholders in their own jurisdictions on the boards' research activities and standard-setting, and identify emerging issues. For example, when developing IFRS Sustainability

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Disclosure Standards, the ISSB co-ordinates with other standard-setters to consider interoperability with requirements and frameworks that will be used in addition to IFRS Sustainability Disclosure Standards.

3.53 The boards share information with and consult ASAF and SSAF. In addition, they share information with and consult international and regional bodies such as the International Forum of Accounting Standard Setters, the Asian-Oceanian Standard-Setters Group, the Group of Latin American Accounting Standard Setters, EFRAG and the Pan African Federation of Accountants as well as jurisdictional (national) standard-setters. Board members meet with representatives of these regional and national bodies. Co-ordination between a board's due process and the due process of other standard-setters can be helpful in assisting the board in achieving its objectives.

3.54 The boards also liaise with the International Auditing and Assurance Standards Board, which comments on matters relating to the auditability of proposed new Standards and amendments to Standards; and the International Public Sector Accounting Standards Board, on matters relating to the potential public sector accounting implications of proposed new Standards and amendments to Standards.

IFRS Advisory Council

3.55 The Advisory Council provides broad strategic advice to the boards and the Trustees on the boards' work plans, project priorities and strategic matters (for example, advice related to the consistent application of the Standards or capacity building). Before a board adds to the work plan a major project not contemplated in the previous work plan consultation, it consults the Advisory Council (see paragraph 4.7). The Advisory Council also serves as a way for the boards to gather views that further contribute to the consultative process. The boards also present periodic updates to the Advisory Council on their work plans.

Securities and other regulators

3.56 The boards are responsible for developing high-quality, understandable and enforceable Standards that improve the transparency and usefulness of information disclosed in general purpose financial reports. The boards are also responsible for the IFRS Taxonomies, which can support securities regulators in facilitating digital access to general purpose financial reports.

3.57 To achieve this objective, the boards maintain a dialogue with the International Organization of Securities Commissions and other bodies bringing together securities regulators. This dialogue is supplemented by engagement with jurisdictional securities regulators. In addition, members of regulatory bodies are invited to act as observers to Interpretations Committee meetings and other consultative groups as appropriate.

3.58 Financial information prepared in accordance with the Standards is used by other regulators, including prudential supervisors. In that context, the boards maintain a dialogue with such authorities, particularly through the Financial Stability Board and the Bank for International Settlements.

Consultative groups

3.59 The Foundation uses various consultative and advisory groups to support the boards in their work. A group's membership might reflect a particular stakeholder type, such as investors, preparers or standard-setters, or particular subject matter expertise. Such groups provide advice on a wide range of topics. A group might also be created for a particular project or topic(s) to give the relevant board access to additional subject matter expertise and practical experience. A list of the groups and their membership is maintained on the Foundation's website.

3.60 The composition of a consultative group reflects the purpose for which the group is formed and the need to have a balance of perspectives (for example, diversity of professional backgrounds and geographies). The Foundation normally advertises for nominations and applications on its website, but it can also approach parties directly. The DPOC reviews the proposed composition of a group to consider whether there is an appropriate balance of perspectives, including geographical balance.

3.61 Each consultative group has terms of reference that set out the objectives of the group, the relevant board's expectations of the members and the board's responsibilities to that group.

3.62 Meetings of consultative groups are normally held in public and chaired by a board member or by a member of the technical staff. Public meetings are recorded and, when possible, webcast live. Papers discussed by the consultative group and recordings of meetings are made available on the Foundation's website. Consultative groups can meet in private. If a board decides that a particular meeting of a consultative group should be private, the number of board members attending that meeting is restricted (see paragraph 3.43) and a summary of the meeting is posted on the relevant project page.

3.63 When a board adds a major project to its standard-setting programme, the board considers whether to create a consultative group for that project. It is not mandatory to create such a group, but if the board decides not to do so, it explains that decision on the project page and informs the DPOC. The composition of such a group might change over time, reflecting the need for different types of expertise at successive stages of a project.

3.64 If a consultative group is created for a project, the group is consulted as needed to benefit the project. The technical staff provides group members with regular updates on the progress of the project and provides the board with feedback from the group.

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3.65 All consultative groups are reviewed by the Foundation staff each year to assess whether each group is continuing to serve the function for which it was created and whether the membership should remain the same. The outcome of the review is presented to the relevant board and the DPOC.

Other outreach and engagement

3.66 Board members and technical staff also regularly hold educational sessions, attend meetings and conferences of interested parties, and invite interested organisations to voice their views. Major outreach events of the Foundation are announced on the Foundation's website.

Comment letters and surveys

3.67 Comment letters play a pivotal role in board and Interpretations Committee deliberations because the letters provide considered and public responses to a formal consultation.

3.68 All comment letters received by the boards and the Interpretations Committee are available on the Foundation's website. Portions of a comment letter can be withheld if publication would be harmful to the submitting party or the Foundation (for example, if publishing the letter would disclose commercially sensitive information or breach a law or regulation).

3.69 As an alternative to inviting stakeholders to submit their comments by letter, the boards might offer them a supplementary method to respond to a formal consultation on the Foundation's website, for example, by completing a survey. Such a survey might include all the questions in the consultation document or ask questions targeted at a particular stakeholder type, such as investors. Responses to surveys conducted in support of a formal consultation document are made available on the Foundation's website. Portions of a survey response can be withheld for the same reasons as for portions of a comment letter (see paragraph 3.68).

3.70 When considering feedback in comment letters and from other sources, the boards and the Interpretations Committee assess the matters respondents have raised and the related explanations and evidence they have provided. It is the strength of the analysis and supporting evidence provided in the feedback that is important. An analysis of the types of respondents and their geographical origins can help a board assess whether there are any areas or types of respondent for which additional outreach might be appropriate. For some technical matters, the technical staff can help the board by providing an analysis of the extent to which views in the feedback are shared or divided (for example, the extent to which respondents have views in common or whether views vary by type of respondent, sector or region).

Fieldwork

3.71 A board and the technical staff sometimes use fieldwork to gain a better understanding of how new requirements are likely to affect those who use and apply the Standards.

3.72 Fieldwork can be undertaken in various ways, including one-to-one visits or interviews with preparers, auditors, regulators or users of general purpose financial reports who are likely to be affected by the new requirements. Fieldwork can also include workshops during which several such parties are brought together or experiments are conducted to assess how proposed new requirements might be interpreted or applied.

3.73 Fieldwork can include:

(a) asking participants to assess how proposed new requirements would apply to actual transactions or contracts;

(b) asking preparers or users of general purpose financial reports to complete case studies (for example, to test the completeness and clarity of draft principles and guidance);

(c) assessing how users of general purpose financial reports process information;

(d) assessing how the proposed new requirements are likely to affect systems and procedures for financial reporting; or

(e) gathering examples to gain a better understanding of industry practices and how these might be affected by proposed new requirements.

3.74 A board is likely to conduct some fieldwork for each standard-setting project, except for minor or narrow-scope amendments. The board and the technical staff assess which activities, if any, are appropriate and proportionate for a project, weighing the costs of the activity against what the board is likely to learn from the fieldwork.

3.75 Fieldwork is not mandatory, but if the board decides not to conduct fieldwork it explains why to the DPOC and on the project page on the Foundation's website.

3.76 The technical staff summarises feedback from any fieldwork, public hearings or other outreach in technical staff papers, which the board assesses along with other feedback.

Public hearings

3.77 In addition to inviting stakeholders to submit comment letters with their views and suggestions, a board can hold public hearings with interested organisations to listen to, and exchange views on, specific topics. Public hearings include round-table meetings and discussion forums. Round-table meetings are primarily consultative, giving participants the opportunity to present and discuss their analysis of board proposals. Discussion forums have more of an educational focus, with board members or technical staff explaining a board's proposals before discussing them with the participants.

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Accountability

Effects analysis

3.78 A board is committed to assessing and explaining its views about the likely costs of implementing new requirements and the likely ongoing costs and benefits associated with a new Standard or an amendment to a Standard. The costs and benefits are collectively referred to as *effects*. A board gains insight into the likely effects of a new Standard or amendment to a Standard through its formal exposure of proposals and through its fieldwork, analysis and consultations with stakeholders. The likely effects are assessed in relation to:

(a) the board's objective of improving transparency in financial reporting; and

(b) the existing financial reporting requirements.

3.79 The process of assessing the likely effects is intrinsic to the development of a new Standard or an amendment to a Standard. Therefore, a board assesses the likely effects throughout the development of a new Standard or amendment to a Standard, tailoring its assessment to the stage of development of the new Standard or amendment to a Standard. For example, in the research phase, the board focuses on assessing the nature of the financial reporting deficiency being addressed, seeks to define the problem and proposes possible solutions, focusing particularly on the likely benefits of developing new financial reporting requirements. In the standard-setting phase, the board develops a proposal for a new Standard or amendment to a Standard. Accordingly, the board focuses on assessing the potential costs and benefits of implementing that proposal, and on assessing any alternatives. The board tailors the extent of the analysis to the nature of the proposed change to financial reporting. The format of the analysis is also tailored to the type of due process document being published.

3.80 When a board conducts a post-implementation review, it has an opportunity to understand the effects of the change in financial reporting and compare those effects to those it expected when it issued the new requirements.

3.81 When assessing the likely effects, a board focuses on assessing how financial statements and sustainability-related financial disclosures are likely to change because of the new financial reporting requirements, whether those changes will improve the quality of general purpose financial reports and whether those changes are justifiable in light of those effects. The board considers matters such as how the changes are likely to affect:

(a) the reporting of activities in the general purpose financial reports of those applying the Standards.

(b) the comparability of information in general purpose financial reports between different reporting periods for an individual entity and between different entities in a particular reporting period.

(c) the ability of a user of general purpose financial reports to assess the future cash flows of an entity.

(d) economic decision-making.

(e) compliance costs for preparers, both on initial application and on an ongoing basis.

(f) the costs of analysis for users of general purpose financial reports (including any costs of extracting data, identifying how the data has been measured and adjusting data for the purposes of including it in, for example, a valuation model). The board also considers the costs users of general purpose financial reports would incur if information is not available and the comparative advantage that preparers have in developing information compared to the costs that users would incur to develop surrogate information.

3.82 The Standards specify requirements for entities to provide high-quality, transparent and comparable financial information that can enhance financial stability in the global economy. A board has regard to the effects on financial stability when assessing the effects of new requirements to the extent appropriate and when relevant. For example, when explaining to a broad stakeholder audience the expected benefits of a new Standard, a board might decide it is useful to explain the link between increased transparency in financial reporting and a potential positive effect on financial stability. The introduction by an IFRS Accounting Standard of a current value measurement basis or the introduction by an IFRS Sustainability Disclosure Standard of a requirement to provide information about a sustainability-related risk could, for instance, be circumstances in which the IASB or the ISSB concludes such explanation is appropriate and relevant. In addition, although it is generally impossible to quantitatively assess the possible broad economic consequences of new financial reporting requirements, a board might assess specific economic effects when relevant. A board is not required to make a quantitative assessment of the overall effect of a new Standard or an amendment to a Standard. Initial and ongoing costs and benefits are likely to affect different parties in different ways.

Reporting the effects

3.83 A board explains its views on the likely effects at each stage of the development of a new Standard or an amendment to a Standard. The extent and format of the analysis is tailored to and reflects the nature of the change to financial reporting and the stage of development of the new or amended Standard. For instance, in the research phase, an analysis of the perceived financial reporting shortcoming being addressed and the possible solutions are an integral part of the discussion paper. In the standard-setting phase, the board explains why it is proposing a particular change to financial reporting requirements, including referring to the evidence it has collected and any outreach it has undertaken, in the basis for conclusions accompanying the exposure draft. When a board issues a major Standard, the board publishes a separate *effects analysis* report that summarises the likely effects and how the board made its assessments. This report is included as part of the documents accompanying the Standard balloted by the board. For other new

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requirements, the board presents its views as part of the basis for conclusions accompanying the new requirements.

Bases for conclusions

3.84 In the basis for conclusions a board explains the rationale behind the decisions it made while developing or amending a Standard. The basis for conclusions also includes the board's responses to comments about the exposed proposals.

Dissenting opinions

3.85 A board does not operate as a consensus body. A decision to publish an exposure draft or issue a Standard requires a supermajority (see Table 1). Board members who dissent from the proposals in an exposure draft or from issuing a Standard are required to explain why they have a dissenting opinion. Dissenting opinions are published with the basis for conclusions.

3.86 If a board member dissents, they are voting against the exposure draft or the Standard as a whole. A board member cannot dissent from one part of a document but still vote to publish or issue that document.

3.87 Throughout the development of a Standard, individual board members might disagree with some decisions. However, disagreeing on a matter does not mean the board member will dissent from the whole document. The test for board members is whether they think that the new requirements will improve financial reporting, taking into account the likely effects of those requirements. The hurdle to dissenting is deliberately high.

3.88 The dissenting opinion itself should discuss only those matters that caused the board member to vote against the document as a whole. Board members should avoid using the dissenting opinion to express dissatisfaction with parts of the document that, taken on their own, would not have caused the board member to vote against publishing or issuing the document.

4. Technical work plan

4.1 The technical work plan is the group of projects the boards and the Interpretations Committee manage. The technical work plan focuses on projects and activities that are steps towards the possible publication or issuance of documents by the boards and the Interpretations Committee. These documents include *research papers*, discussion papers, *requests for information*, exposure drafts, Standards, draft Interpretations, Interpretations, agenda decisions, and project summaries and *feedback statements* for post-implementation reviews. The technical work plan is updated regularly and is available on the Foundation's website, which also includes estimates of project timelines reflecting recent board decisions.

4.2 The technical work of the boards covers a wide range of activities, and might also include financial reporting research, updates and revisions to the *Conceptual Framework for Financial Reporting* (*Conceptual Framework*), the maintenance and consistent application of the Standards, and the IFRS Taxonomies.

Work plan consultation

4.3 Each board conducts a public consultation on its work plan at least every five years by way of a public *request for information*. A board normally allows a minimum of 120 days for comment on a work plan (agenda) consultation request for information. The primary objective of the review is to seek public input on the strategic direction and balance of the board's work plan, including the considerations for assessing projects that might be added to the work plan. The board can also seek views on financial reporting matters that respondents think should be prioritised and on any proposals to withdraw projects from the work plan because they have not proceeded as planned or for which the prospects for progress are limited. The board's discussion of potential projects to be added to or withdrawn from the work plan takes place at public board meetings.

4.4 The boards consider whether to align the timing of their work plan consultations so that the consultations occur concurrently. This enables stakeholders to respond to the boards' consultations at the same time, which might be more efficient for the stakeholders, and enables a board to benefit from feedback received by the other board.

4.5 As part of its public consultation, the board consults the Advisory Council.

4.6 In line with the *Constitution*,[4] the board consults with the Trustees regarding the work plan and, through the DPOC, keeps the Trustees informed of its process in respect of its work plan consultation, including how it expects to respond to the input it has received. The next consultation should begin no later than five years after the previous consultation was completed.

4.7 Although the work plan consultations are the principal means of setting a board's work plan, the board can add projects to the work plan or change its priorities between consultations in response to changing circumstances. However, before adding a major project to the work plan that was not contemplated in the previous consultation, the board consults the Advisory Council and ASAF or SSAF (as applicable) on the potential project. The board's discussion of potential projects to be added to the work plan takes place at public board meetings.

4.8 For minor or narrow-scope amendments to the Standards, a board is not required to consult the Advisory Council or ASAF or SSAF before adding a project to the work plan. Minor and narrow-scope amendments are part of a board's work to maintain the Standards and to support their consistent application.

4 Sections 37(d) and 58(d) of the *Constitution* give the boards full discretion in developing their technical agendas, subject to consulting the Trustees. Section 16(d) requires the Trustees to review annually the strategy of the Foundation, the IASB and the ISSB and its effectiveness, including consideration, but not determination, of the agendas of the IASB and the ISSB.

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Research programme

4.9 New financial reporting requirements developed by a board address problems identified with the existing requirements. Sometimes a problem identified with financial reporting can be remedied with a minor amendment to a Standard. In other cases, the problem might require a more significant change to financial reporting requirements, such as a major amendment to a Standard or the development of a new Standard. Therefore, the first step in developing a new financial reporting requirement is to assess and define the problem with existing reporting practices (see paragraph 3.79 on how a board assesses the likely effects at this stage of a project).

4.10 The purpose of a 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. A board might engage with interested parties in various ways in collecting such evidence and assessing such potential improvements or remedies. This analysis will help a board decide whether it should undertake a standard-setting project, either to develop a new Standard or to amend a Standard. The research programme might also include the consideration of broader financial reporting matters, such as how financial reporting is evolving, to encourage international debate on financial reporting matters.

4.11 To help a board in developing the work plan, the technical staff is asked to identify, review and raise matters that might warrant the board's attention. New matters might arise from the work plan consultation on the technical work plan (see paragraph 4.3), consideration of opportunities for connections between the boards' work or an amendment to the *Conceptual Framework*. In addition, the board raises and discusses potential topics arising from comments from the Advisory Council, ASAF, SSAF, other standard-setters and other interested parties, and the Interpretations Committee, as well as technical staff research and other recommendations.

4.12 A board and its technical staff are not expected to conduct directly all of the activities to research matters on its research programme. A board can invite participation from others—for example, national accounting and sustainability disclosure standard-setting bodies, regional bodies associated with such standard-setting, regional financial reporting bodies, academics and other interested parties. However, the board will need to provide clear direction on the matters on which it expects to focus and on its expectations of the parties that it invites to participate.

4.13 As a result of its work on a research project, a board might decide to add a standard-setting project to the work plan or decide not to undertake standard-setting. A board might make a decision not to undertake standard-setting before publishing a discussion paper or after considering the feedback on a discussion paper. When making its decision, the board refers to the principles in paragraphs 5.4–5.9 to assess whether the project is likely to result in improvements to financial reporting that will outweigh the costs. A decision not to undertake further work as a result of a research project requires the

support of a simple majority of the board (see paragraph 3.18). If the board decides not to undertake standard-setting as a result of a major research project, a project summary is published summarising the research findings and the board's conclusions. A board might decide not to undertake standard-setting but decide to undertake some other technical activity (for example, developing material to support consistent application).

Discussion papers, research papers and requests for information

4.14 The main output of the research programme takes the form of discussion papers and research papers. Discussion papers and research papers are designed to elicit comments from interested parties that can help a board decide whether to add a standard-setting project to its work plan. Discussion papers and research papers typically include an overview of the issues, possible approaches to addressing the issues, the preliminary views of the board and an *invitation to comment*.

4.15 Discussion papers are published by a board and present the analysis and collective views of the board on a particular topic, with the discussion reflecting and conveying any significant differences in board members' views. The board will have discussed the matters presented at its public meetings.

4.16 Research papers are also published by a board but are not developed in public meetings and, therefore, the board will not have formed any views on the matters set out in the paper. Research papers can be prepared by the technical staff. Research papers can also be prepared by other standard-setters or bodies, normally at the request of the board. A research paper published by a board includes a clear statement of the extent of the board's involvement in the development or endorsement of that paper.

4.17 Requests for information are formal requests by a board to ask stakeholders for information or feedback on a matter related to technical projects or broader consultations. Examples of appropriate topics for a request for information include seeking comments on the board's work plan, seeking views on and information about a Standard for a post-implementation review, and asking for help in assessing the practical implications of a potential financial reporting requirement (for example, as input to the research phase of a project).

Publication of discussion papers, research papers and requests for information

4.18 A board ballots discussion papers. Before the board asks the technical staff to prepare a discussion paper for balloting, the board confirms that it has completed all of the necessary steps and that the discussion paper is likely to meet its purpose. Research papers and requests for information require the support of a simple majority of the board, with approval given in a public meeting (see paragraph 3.15).

4.19 A board normally allows at least 120 days for comment on discussion papers, research papers, and requests for information on the work plan (see paragraph 4.3) or for post-implementation reviews (see paragraph 6.62). For other requests for information, the board normally allows a minimum of 60

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days for comment. If the information request is narrow in scope and urgent, the board can set a shorter period and need not consult the DPOC before doing so.

4.20 Discussion papers, requests for information and research papers are posted on the Foundation's website.

4.21 Once the comment period for a discussion paper ends, the technical staff summarises and analyses the comment letters and any other feedback, and provides that summary and analysis to the board.

Conceptual Framework for Financial Reporting

4.22 The IASB has developed the *Conceptual Framework*, which describes the objective of and concepts for general purpose financial reporting. The *Conceptual Framework* is a practical tool that helps the development of requirements in the Standards based on consistent concepts.

4.23 Proposals to amend the *Conceptual Framework* are developed and exposed in the same way that a board exposes proposed amendments to the Standards, with similar comment periods.

4.24 A discussion paper might be published as a first step to amending part of the *Conceptual Framework*, but this is not a requirement.

4.25 Amendments to the *Conceptual Framework* might require consideration of whether any Standards should be amended to reflect the amended *Conceptual Framework*. However, amending a Standard is not an automatic consequence. Amendments to the Standards address deficiencies in financial reporting. Any inconsistencies in the Standards highlighted by amendments to the *Conceptual Framework* are considered in the context of other priorities when developing or modifying the work plan.

5. Standard-setting projects

5.1 When considering whether to add a standard-setting project to the work plan, a board considers a project proposal. That consideration will include whether the proposal is for a comprehensive project to develop a new Standard or major amendment to a Standard (see paragraphs 5.4–5.14), or for a narrow-scope project for the purposes of maintenance and consistent application. The IASB also works together with the Interpretations Committee in supporting the consistent application of IFRS Accounting Standards (see paragraphs 5.16–5.22).

5.2 The primary objective of a project proposal is to help a board to manage its resources effectively and to prioritise its standard-setting work. The board distinguishes between major and narrow-scope projects in its planning to help reduce the risk of committing resources to a project when other projects have higher priority.

5.3 A proposed new Standard, amendment to a Standard or Interpretation is exposed for public comment. If stakeholders are of the view that a board has failed to demonstrate the need for improvements to an area of financial reporting, they can express their views during the consultation process.

Considerations for new IFRS Standards or major amendments

5.4 A board evaluates adding a potential project to the work plan primarily by assessing the needs of users of general purpose financial reports, while also taking into account the costs of preparing the information in those reports. When deciding whether a proposed project will address users' needs, the board's considerations include:

(a) whether there is a deficiency in the way entities report a particular type of transaction or activity in general purpose financial reports;

(b) the importance of the matter to users of general purpose financial reports;

(c) the types of entities the matter is likely to affect, including whether the matter is more prevalent in some jurisdictions than others; and

(d) how pervasive or acute the matter is likely to be for entities.

5.5 In evaluating adding a standard-setting project to the work plan, a board also considers possible interactions with the other board's Standards and its objective to develop Standards that are compatible, and avoid inconsistencies and conflicts, with the other board's Standards.

5.6 A board considers adding a standard-setting project to the work plan after reviewing the research it has conducted on the topic.

5.7 The board would normally propose to develop a new Standard or to make major amendments to a Standard only after it has published a discussion paper and considered the comments it receives from that consultation. A board need not publish a discussion paper before adding a major standard-setting project to the work plan. However, to proceed without a discussion paper, the board needs to be satisfied that it has sufficient information and understands the problem and the potential solutions well enough to omit consulting stakeholders with a discussion paper. The board might decide that a discussion paper is not necessary because it has sufficient input from a research paper, a request for information or other research to proceed directly to an exposure draft. The board needs to set out the reasons for not publishing a discussion paper and report them to the DPOC.

5.8 A board's discussion of potential projects and its decisions to adopt new projects take place in public board meetings. A board decides to add standard-setting projects to its work plan by a simple majority vote at a board meeting (see paragraph 3.18).

5.9 A board adds a project to the work plan only if it concludes that the benefits of the improvements to financial reporting are expected to outweigh the costs.

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Matters referred by the IFRS Foundation Monitoring Board

5.10 The Monitoring Board can refer technical financial reporting matters to the Trustees and the Chair of the relevant board. The Monitoring Board can refer a technical financial reporting matter to the Chairs of both boards if it is relevant to both. The Monitoring Board's consensus-based decision-making limits such actions to extremely rare and urgent cases in which all Monitoring Board members agree that a technical financial reporting matter warrants referral.

5.11 The Trustees and the Chair of the board are required to ensure that any such referral is addressed in a timely manner. Such referrals need not follow the formal consultation process set out in paragraphs 4.7 and 5.1–5.9.

5.12 The board, together with the Trustees, reports to the Monitoring Board, usually within 30 days but sooner if the matter is more urgent, the steps being taken to consider the referral.

5.13 If the board decides not to take up the referred matter, it explains to the Trustees and the Monitoring Board why addressing the matter by amending a Standard would be inconsistent with the standard-setting responsibilities established in the *Constitution*.

5.14 In all cases, it is understood that the Monitoring Board will neither influence the decision-making nor challenge the decisions made by a board with regard to its standard-setting.

Maintenance and consistent application

5.15 The boards maintain their respective Standards and support the consistent application of these Standards by, among other things, developing narrow-scope amendments to the Standards, following the process described in paragraphs 6.4–6.18. The boards seek to achieve a balance between maintaining the principle-based nature of the Standards and adding or changing requirements in response to emerging application questions.

Identification of matters by the Interpretations Committee

5.16 The IASB and the Interpretations Committee work together in supporting the consistent application of IFRS Accounting Standards. They do so by, among other things, working within their respective roles to issue narrow-scope amendments to IFRS Accounting Standards, issue Interpretations and publish agenda decisions in response to application questions. The IASB can seek the assistance of the Interpretations Committee in developing narrow-scope amendments, drawing on the Interpretations Committee's experience with the application of IFRS Accounting Standards. The IASB also can ask the Interpretations Committee to consider updating particular agenda decisions that would otherwise be withdrawn (see paragraph 8.5(a)) to reflect new or amended requirements. Any proposed updated agenda decisions are subject to the same due process requirements as other proposed agenda decisions.

5.17 Some IASB members attend each Interpretations Committee meeting and a report of each Interpretations Committee meeting is presented to the IASB at a public meeting.

5.18 Stakeholders are encouraged to submit application questions to the Interpretations Committee when they view it as important that the IASB or the Interpretations Committee address a matter considering the criteria in paragraph 5.19. Such matters could include cases of doubt about the required accounting for a particular circumstance or transaction, or concerns expressed by investors or other stakeholders about the application of specified requirements. The Interpretations Committee often consults on questions submitted to it with a range of stakeholders, including national accounting standard-setting bodies and regional bodies involved with accounting standard-setting.

5.19 The Interpretations Committee assesses the need for a standard-setting project based on whether:

(a) the matter has widespread effect—that is:

(i) the circumstance or transaction is prevalent, or is expected to be prevalent; and

(ii) there is diversity, or expected diversity, in the application of IFRS Accounting Standards that has, or is expected to have, a material effect on those affected;

(b) it is necessary to add or change requirements in IFRS Accounting Standards to improve financial reporting—that is, the principles and requirements in IFRS Accounting Standards do not provide an adequate basis for an entity to determine the required accounting;

(c) the matter can be resolved efficiently within the confines of existing IFRS Accounting Standards and the *Conceptual Framework*; and

(d) the matter is sufficiently narrow in scope that the IASB or the Interpretations Committee can address it efficiently, but not so narrow that it is not cost-effective for the IASB or the Interpretations Committee and stakeholders to undertake the due process required to amend an IFRS Accounting Standard.

5.20 If all the criteria in paragraph 5.19 are met, a simple majority of Interpretations Committee members present decides, after a debate in a public meeting, whether to develop an Interpretation or to recommend that the IASB add a narrow-scope standard-setting project to the work plan. In considering the criteria in paragraph 5.19, the Interpretations Committee seeks to achieve a balance between maintaining the principle-based nature of IFRS Accounting Standards and adding or changing requirements in response to emerging application questions.

5.21 If the Interpretations Committee decides to develop an Interpretation, it follows the process described in Section 7. If the Interpretations Committee recommends that the IASB develop a narrow-scope amendment, it refers the matter to the IASB.

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5.22 If all the criteria in paragraph 5.19 are not met and therefore a standard-setting project is not needed to address a question submitted, the Interpretations Committee explains why in an agenda decision (see paragraphs 8.2–8.7).

6. New or amended IFRS Standards

Exposure drafts

6.1 Publication of an exposure draft is a mandatory step in the due process before a new Standard can be issued or an existing Standard can be amended.

6.2 An exposure draft sets out a proposed Standard (or amendment to a Standard) and is therefore generally set out in the same way as, and has all of the components of, a Standard. The main differences with a Standard are that in the exposure draft:

(a) the basis for conclusions is written to explain a board's rationale for the proposal, and is not a draft of the rationale for the issued Standard or amendment to a Standard; and

(b) the consequential amendments to other Standards (see paragraph 6.34) might not be set out in as much detail as they would be in a Standard or amendment to a Standard, particularly if the consequential amendments are changes to cross-references or terminology and other editorial matters.

6.3 An exposure draft is a board's main vehicle for consulting the public and therefore includes an invitation to comment, setting out the issues that the board has identified as being of particular interest. Although the invitation to comment is normally included with the ballot draft, it does not need to be balloted by the board.

Developing an exposure draft

6.4 A board develops an exposure draft during its public meetings. The technical staff prepares papers for the board to consider on the matters to be addressed in the exposure draft.

6.5 Development of an exposure draft normally begins with the board considering the issues based on the technical staff's research and recommendations. The board also considers the comments on any discussion paper, research paper or request for information; suggestions made by consultative groups and standard-setters; and suggestions arising from consultation with other stakeholders.

6.6 When developing proposed requirements, the board might draw on requirements or other materials from other standard-setting or similar bodies, or include such materials in proposed Standards. Such requirements or other materials might have been subject to consultative procedures during their development. However, those procedures do not negate the need for the board to apply the Foundation's due process to any proposed requirements incorporating such material.

6.7 After the board has decided on the technical matters in the project and has considered the likely effects of the proposals (see paragraphs 3.78–3.83), the technical staff presents a paper to the board:

(a) summarising the steps that the board has taken in developing the proposals, including a summary of when the board discussed the project in public meetings, public hearings, outreach activities and meetings of consultative groups;

(b) reaffirming, if applicable, why the board has decided that it was not necessary to create a consultative group or to conduct fieldwork; and

(c) recommending a comment period for the exposure draft.

6.8 The board normally allows a minimum period of 120 days for comment on an exposure draft. If the matter is narrow in scope and urgent, the board can set a comment period of less than 120 days but no less than 30 days after requesting and receiving approval from the DPOC.

6.9 In exceptional circumstances, and only after requesting and receiving approval from at least 75% of the Trustees, the board can reduce the period for public comment on an exposure draft to less than 30 days. However, the board cannot dispense with a comment period entirely.

6.10 If the board is satisfied that it has addressed all of these matters, it votes to have the technical staff prepare the exposure draft for balloting. Board members who intend to dissent from the proposals in the exposure draft make their intentions known during this meeting (see paragraphs 3.85–3.88).

Exposing packages of minor improvements

6.11 Some proposed amendments to the Standards are minor or narrow enough in scope to be packaged together and exposed in one document even though the amendments are unrelated. These packages of minor improvements to the Standards are part of a board's regular maintenance of the Standards (historically referred to as 'annual improvements'). Packages of minor improvements follow the same due process as other amendments to the Standards.

6.12 The reason for exposing unrelated improvements in one package is that these amendments are limited to minor or narrow-scope changes to a Standard or the accompanying material (see paragraph 6.35). Those changes clarify wording; correct relatively minor unintended consequences, oversights or conflicts between requirements in the Standards or accompanying materials; or update a requirement or accompanying material.

6.13 An amendment in a package of minor improvements cannot propose a new principle or change an existing principle. By definition, any amendment to material accompanying a Standard (see paragraph 6.35), including such an amendment in a package of minor improvements, cannot create a new requirement or change an existing requirement in a Standard.

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6.14 A minor or narrow-scope change that clarifies wording involves either replacing unclear wording or adding requirements in a Standard where an absence of requirements is causing concern. Such an amendment needs to be consistent with the existing principles within the applicable Standard.

6.15 A minor or narrow-scope change that updates a requirement in a Standard or accompanying material includes updating a metric included in industry-based requirements in IFRS Sustainability Disclosure Standards or updating guidance accompanying a Standard. Such an amendment needs to be consistent with the existing principles within the applicable Standard.

6.16 An amendment in a package of minor improvements should be well defined and narrow in scope. A board assesses proposed packages of improvements against the guidance set out in paragraphs 6.11–6.15 before they are published in an exposure draft. As a guide, if a board needs several meetings to reach a conclusion, it indicates that the cause of the issue is more fundamental than can be resolved using this minor improvements process.

6.17 A board allows a minimum period of 90 days for comment on a package of minor improvements. A board might consider a longer comment period in some circumstances.

6.18 Because of the nature of these minor or narrow-scope improvements, it is not necessary to undertake consultation or outreach beyond the comment letter process. A board needs to be cautious and avoid including in the minor improvements package any amendment that merits separate consultation and outreach.

Publishing an exposure draft

6.19 The publication of an exposure draft is announced on the Foundation's website.

6.20 Depending on the nature of the exposure draft, supplementary supporting materials, such as a project *snapshot* or webcast, might also be published. The more significant the changes proposed in the exposure draft, the more comprehensive the related supplementary materials are likely to be.

6.21 All exposure drafts and related publications are made freely available on the Foundation's website.

Consideration of feedback

6.22 After the comment period ends, a board reviews feedback from the comment letters and other sources, such as surveys, meetings of consultative groups and outreach with stakeholders. The technical staff provides a summary of the feedback, giving an overview of the comments and the major points raised. The summary helps the board to identify the main topics for consideration during its follow-up deliberations, or to assess whether the board should even proceed with the project.

6.23 The board develops a Standard or an amendment to a Standard during its public meetings.

6.24 As a means of exploring the issues further and seeking further comments and suggestions, the board might conduct fieldwork or arrange public hearings and round-table meetings. The board also maintains contact with its consultative groups.

6.25 A decision to discontinue a standard-setting project requires the support of a simple majority of a board (see paragraph 3.18). Before making a decision to discontinue a standard-setting project, the board refers to the principles in paragraphs 5.4–5.9. If the board decides to discontinue a standard-setting project that would have resulted in a new Standard or major amendment to a Standard, a project summary is published summarising the work done and the board's reasons for discontinuing the project.

Completion of the deliberations

6.26 After a board has made decisions on the technical matters in the project and has assessed the likely effects of the new Standard or amendment to a Standard (see paragraphs 3.78–3.83), the technical staff presents a paper to the board:

(a) summarising the steps that the board has taken in developing the Standard, including a summary of when the board discussed this project in public meetings, public hearings, outreach activities and meetings of consultative groups;

(b) summarising the steps taken to consider possible interactions with the other board's Standards and to meet the objective to develop Standards that are compatible, and avoid inconsistencies and conflicts, with the other board's Standards;

(c) reaffirming, if applicable, why the board has decided that it was not necessary to create a consultative group or to conduct fieldwork; and

(d) assessing whether the proposals can be finalised or whether there is a need for *re-exposure* (see paragraphs 6.29–6.32).

6.27 If the board is satisfied that it has addressed all of the technical matters and assessed the likely effects, it votes to have the technical staff prepare the new Standard or amendment to a Standard for balloting. Board members who intend to dissent from the proposals of the Standard make their intentions known during this meeting (see paragraphs 3.85–3.88).

6.28 The board informs the DPOC of its decision to proceed to the ballot stage for a new Standard or major amendment to a Standard, explaining why it is satisfied that re-exposure is not necessary, before the Standard or major amendment is issued (see paragraph 2.9).

Re-exposure criteria

6.29 When considering whether there is a need for re-exposure, a board:

(a) identifies substantial issues that emerged during the comment period on the exposure draft that it had not previously considered;

(b) assesses the evidence that it has considered;

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(c) assesses whether it has sufficiently understood the issues, implications and likely effects of the new requirements and actively sought the views of interested parties; and

(d) considers whether the various viewpoints were appropriately represented in the exposure draft and adequately discussed in the basis for conclusions on the exposure draft.

6.30 A Standard or an amendment to a Standard will inevitably include changes to the proposals in the exposure draft. However, changes to the proposals by a board before the Standard or amendment is issued do not necessarily compel the board to expose revised proposals. The board assesses whether the changes it has made after publishing the exposure draft include any fundamental changes on which respondents have not had the opportunity to comment because they were not contemplated or discussed in the exposure draft or the basis for conclusions on the exposure draft. The board also considers whether it will learn anything new by exposing revised proposals. If the board is satisfied that the changes that it has made respond to the feedback and that it is unlikely that re-exposure would reveal any new concerns, it proceeds to finalise the proposed requirements.

6.31 The more extensive and fundamental the changes from the exposure draft—especially if the changes from the exposure draft would require a significant change from current practice—the more likely the need for re-exposure. However, the board weighs the cost of delaying improvements to financial reporting against the relative urgency of introducing the changes and any additional steps it has taken to consult stakeholders since the exposure draft was published. Consultative groups or targeted consultation can give the board information to inform a decision to finalise the proposed requirements without re-exposure.

6.32 A board decides at a public meeting whether to publish revised proposals for comment. If the board decides that re-exposure is necessary, the due process followed is the same as for the first exposure draft. However, after the first exposure of a proposed Standard, a shortened comment period might be appropriate, particularly if the board is seeking comments on only aspects of the revised proposals, while recognising that respondents might not limit their comments to these aspects. The public comment period for such documents will normally be at least 90 days. However, the board can set a comment period of less than 90 days in accordance with paragraphs 6.8–6.9.

Finalising an IFRS Standard

6.33 The mandatory (integral) parts of a Standard are:

(a) the principles and the related application guidance;

(b) the defined terms; and

(c) the effective date and transition paragraphs.

6.34 When a new Standard or an amendment to a Standard is issued, it is accompanied by amendments to other Standards that are a consequence of the new requirements (consequential amendments).

6.35 A Standard is typically issued with accompanying material that is not an integral part of the Standard, such as:

(a) illustrative examples;

(b) illustrative guidance;

(c) the basis for conclusions (including the board's analysis of the likely effects if not presented as a separate report);

(d) an effects analysis report (for a major Standard); and

(e) dissenting opinions (if any).

6.36 Sometimes the accompanying material includes a table that shows the relationship between paragraphs in the old and the new requirements. In all cases the documents state clearly whether the material is an integral part of the Standard or whether it accompanies the Standard but is not integral. Material that is integral to a Standard is provided to governments or the appropriate authorities that have adopted the Standards and have an agreement with the Foundation to receive such material.

6.37 As a principle, the Standards should be capable of being applied without the accompanying material.

Effective date and transition

6.38 A Standard or an amendment to a Standard has an effective date and transition requirements. The effective date is set so that jurisdictions have sufficient time to incorporate the new requirements into their legal systems or other systems of financial reporting requirements and those applying the Standards have sufficient time to prepare for the new requirements.

6.39 A board also considers how first-time adopters of Standards are required to apply the Standard or the amendment to a Standard. The IASB considers whether any amendments are needed to IFRS 1 *First-time Adoption of International Financial Reporting Standards*.

Issuing an IFRS Standard

6.40 The issuance of a new Standard or an amendment to a Standard is announced on the Foundation's website.

6.41 The issuance of a new Standard or a major amendment to a Standard is accompanied by a project summary and a feedback statement. Depending on the nature of the new requirements, other supplementary supporting materials, such as a webcast, might also be published. The more significant the changes to the Standards, the more comprehensive the related supplementary materials are likely to be.

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Practice guidance

6.42 A board might produce non-mandatory *practice guidance*, including on a topic not addressed by a Standard (such as management commentary), if it takes the view that doing so would improve financial reporting. To develop and publish practice guidance, the board follows the same procedures used for the development of a Standard, including the balloting of documents.

Post-issuance procedures

6.43 After a Standard is issued, the Foundation conducts various activities to support the Standard's implementation and consistent application. These activities might include publishing materials such as articles and webcasts (see paragraphs 8.8–8.14). A board might also form a group comprising experts involved in the implementation of the Standard to provide a public forum for the discussion of implementation questions that arise when entities implement the new requirements. Board members and technical staff might also hold meetings with interested parties, including national standard-setting bodies, to help understand matters that have arisen from the implementation of the Standard and the potential effects of its requirements.

6.44 Technical staff can make editorial corrections to technical documents to remedy drafting errors that are made when writing or typesetting the document, provided that the corrections do not alter the technical meaning of the text. Editorial corrections normally fix spelling errors, grammatical mistakes or incorrectly marked consequential amendments to other Standards.

Translation

6.45 The Foundation encourages and facilitates the translation of the Standards by standard-setters, regulators, accounting institutes and other qualified entities (collectively referred to as translating partners) under the Foundation's central coordination. The translation process is based on co-operation between the Foundation and a translating partner. In some circumstances the Foundation might consider alternative arrangements for translation if a suitable partner does not come forward and the Foundation feels there is a strong need for the translation.

6.46 Permission from the Foundation is required before any translation of a Standard can begin.

6.47 The translation policy allows for only one translation per language, so that all users of a particular language use the same translation. The two-stage translation procedure, consisting of the initial translation followed by a review of the translation by a committee of experts in financial reporting, is designed to produce a high-quality translation that accurately renders the meaning of the original English-language Standards into another language.

6.48 Review committee members are native speakers of the language into which the Standard is translated and have demonstrated technical competence and knowledge of financial accounting and/or sustainability-related disclosure. Review committees typically comprise members from major accounting and

other professional firms, national accounting and sustainability disclosure bodies, academia, appropriate government bodies and specialist industries.

6.49 The review committee has one person designated as the co-ordinator. In addition to managing the review process, the co-ordinator has the final responsibility for the content of the translation, and has a casting vote if the committee cannot reach consensus.

6.50 If a language is widely spoken and used in more than one jurisdiction, at least one member from each jurisdiction is encouraged to participate in the review committee so that the resulting translation aids the consistent application of the Standards and international acceptance of the translation.

IFRS Taxonomies (see Annex B)

6.51 The implications for the IFRS Taxonomies are considered during the development and drafting of a new Standard or an amendment to a Standard.

Post-implementation reviews

Objective of a post-implementation review

6.52 The objective of a post-implementation review is to assess whether the effects of applying the requirements of a new Standard or major amendment to a Standard on users of general purpose financial reports, preparers, auditors and securities regulators are as intended when the new requirements were developed. The basis for such an assessment is the objective of the Standard and the effects analysis of the likely benefits and initial and ongoing costs arising from the new requirements that a board publishes when it issues the new requirements.

6.53 During a post-implementation review, a board considers important and contentious matters it discussed during the development of the new requirements and whether the Standard or major amendment to a Standard continues to work as intended in the current environment, considering market developments since those new requirements were issued. It also considers whether there are unintended consequences from applying the new requirements that the board was not aware of when it developed those requirements.

6.54 A post-implementation review involves a board assessing whether the new requirements are overall working as intended, that is:

(a) the benefits to users of general purpose financial reports of the information arising from applying the new requirements are not significantly lower than was expected; and

(b) the costs of applying the requirements and auditing and enforcing their application are not significantly greater than was expected.

6.55 A post-implementation review is not a standard-setting project and does not automatically lead to standard-setting. However, post-implementation reviews can identify improvements that can be made to a new requirement or the standard-setting process.

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6.56 Although a post-implementation review can identify application questions, such identification is not the objective of the post-implementation review. There are other mechanisms in place to identify and address application questions. When a board issues a new Standard or major amendment to a Standard, the board supports the implementation of the new Standard or major amendment by, for example, setting up a group of experts involved in the implementation of the Standard to provide a public forum for the discussion of implementation questions that arise and publishing materials such as articles and webcasts to support consistent application (see paragraph 6.43). In addition, the Interpretations Committee supports the implementation of IFRS Accounting Standards, including by publishing agenda decisions (see paragraphs 8.2–8.7). In the course of supporting implementation of a new Standard or major amendment to a Standard, a board might decide that it needs to amend the new requirements, considering the benefits of timely action and the risks of disruption to implementation.

Conducting a post-implementation review

6.57 A board is required to conduct a post-implementation review of every new Standard or major amendment to a Standard.

6.58 The post-implementation review begins after the new requirements have been applied internationally for some time in order to ensure sufficient information is available to assess the requirements' effects in their entirety. Such information could include trend data from applying the new requirements, academic research, and feedback on how the requirements work in practice (while balancing the need to conduct a review within a reasonable period of time to ensure that the relevant board is aware of matters that require attention). It is expected that a post-implementation review normally begins within five years of the effective date of the new requirements. A board informs the DPOC if it intends to defer a post-implementation review beyond this five-year period, explaining why it has reached this conclusion and indicating when it expects to start the review.

Process for a post-implementation review

6.59 Each post-implementation review has two phases. The first phase involves an initial identification and assessment of the matters to be examined, which are then the subject of a public consultation by the board in the form of a request for information. In the second phase, the board considers the comments it has received from the public consultation along with the information it has gathered through engagement with stakeholders and any other research activities.

Phase 1—Research and publication of a request for information

6.60 The initial identification and assessment of the matters to be examined draws on the broad network of IFRS Standards-related bodies and interested stakeholders, including the Interpretations Committee (for IFRS Accounting Standards), the respective board's consultative groups, securities regulators, national standard-setting bodies, preparers, auditors and investors. Input received in Phase 1 helps the board decide on an appropriate scope for the

review. How extensive the engagement needs to be in this phase depends on the Standard being reviewed and what the board already knows about the implementation of that Standard. The board needs to be satisfied that it has enough information to decide the scope of the review.

6.61 The board publishes a request for information setting out the matters on which it is seeking feedback by means of a formal public consultation. In the request for information, the board explains why it is seeking feedback on these particular matters and includes its initial assessment of the Standard or major amendment that is being reviewed. The request for information also sets out the process that the board followed to decide the scope of the review.

6.62 The board normally allows a minimum period of 120 days for comment on a request for information that is part of a post-implementation review. The board can set a comment period of less than 120 days only after requesting and receiving approval from the DPOC.

Phase 2—Consideration of matters identified and their prioritisation

6.63 The board considers the feedback from the public consultation along with the information it has gathered from other engagement with stakeholders. The board also considers whether it is necessary to perform any other research activities.

6.64 The board considers whether to take any action on matters identified in the post-implementation review and how it will prioritise those matters. Actions could include standard-setting, referring a matter to the Interpretations Committee (for IFRS Accounting Standards) or developing material to support consistent application. The board can also conclude that no action is required.

6.65 When considering whether to take action, the board assesses whether there is evidence that:

(a) the benefits to users of general purpose financial reports of the information arising from applying the new requirements are significantly lower than expected (for example, there is significant diversity in application); or

(b) the costs of applying some or all of the new requirements and auditing and enforcing their application are significantly greater than expected (or a significant market development after the new requirements were issued makes it more costly than expected to apply the new requirements consistently).

Reporting

6.66 The board reports regularly to the DPOC during a post-implementation review. The board informs the DPOC when it has completed its review and provides the DPOC with a draft of a project summary and feedback statement summarising the matters identified, any actions the board plans to take as a result of the post-implementation review and the rationale for the board's conclusions. When the DPOC is satisfied that the board has completed the review satisfactorily, the draft can be finalised and published.

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7. IFRIC Interpretations

7.1 Interpretations are developed by the Interpretations Committee but, because they are part of IFRS Accounting Standards, they are ratified by the IASB.

Draft IFRIC Interpretations

7.2 Publication of a draft Interpretation is a mandatory step in the due process before an Interpretation can be issued.

7.3 A draft Interpretation sets out a proposal in the form of a proposed Interpretation and is therefore generally set out in the same way as, and has all of the components of, an Interpretation. The main difference is that the basis for conclusions on the draft Interpretation is written to explain the Interpretations Committee's rationale for the proposal, and is not a draft of the rationale for the issued Interpretation.

7.4 A draft Interpretation is the Interpretations Committee's main vehicle for consulting the public and therefore includes an invitation to comment, setting out the matters that have been identified as being of particular significance. Although the invitation to comment is normally included with the ballot draft, it does not need to be balloted by the Interpretations Committee.

Developing a draft IFRIC Interpretation

7.5 The Interpretations Committee develops a draft Interpretation during its public meetings. The technical staff prepares papers about the matters being addressed for the Interpretations Committee to consider.

7.6 The Interpretations Committee applies a principle-based approach founded on the *Conceptual Framework*. The Interpretations Committee considers the principles in the relevant IFRS Accounting Standards to develop an interpretation and to determine that the interpretation does not change or conflict with IFRS Accounting Standards. If the Interpretations Committee concludes that the requirements of a Standard differ from the *Conceptual Framework*, it obtains direction from the IASB. When developing Interpretations, the Interpretations Committee is not seeking to create an extensive rule-oriented environment, nor does it act as an urgent issues group.

7.7 The Interpretations Committee seeks to develop a solution that can be effective for a reasonable length of time. Accordingly, the Interpretations Committee does not normally develop an Interpretation if the topic is being addressed in a forthcoming IFRS Accounting Standard. However, this does not prevent the Interpretations Committee from acting on a particular matter if the short-term improvements can be justified.

7.8 If the Interpretations Committee is satisfied that it has addressed the identified technical matters, it votes to determine whether there is general agreement to instruct the technical staff to prepare the draft Interpretation for balloting. General agreement is reached if no more than four members have voted against the proposal. Because Interpretations are developed on the basis of the Interpretations Committee reaching general agreement on a matter, a draft Interpretation does not include any dissenting opinions.

However, the invitation to comment and the basis for conclusions state whether any members did not agree with the draft Interpretation.

7.9 After Interpretations Committee members generally agree on the identified technical matters, the technical staff presents a paper to the IASB summarising the steps that have been taken in developing the proposals and recommending a comment period for the draft Interpretation.

7.10 IASB members receive ballot drafts of the draft Interpretation. If four or more IASB members object to the release of the draft Interpretation during the balloting process, the draft Interpretation is not released. If a draft Interpretation is not released because of IASB members' objections, the IASB decides whether the draft Interpretation should be published with amendments, whether the matter should be referred back to the Interpretations Committee or considered further by the IASB, or whether there should be no further action.

7.11 The IASB and the Interpretations Committee normally allow a minimum period of 90 days for comment on a draft Interpretation. If the matter is narrow in scope and urgent, the IASB can set a comment period of less than 90 days but no less than 30 days after requesting and receiving approval from the DPOC.

Publishing a draft IFRIC Interpretation

7.12 The publication of a draft Interpretation is announced on the Foundation's website.

7.13 All draft Interpretations are made freely available on the Foundation's website.

Consideration of comments

7.14 After the comment period ends, the Interpretations Committee reviews the comment letters.

7.15 The development of an Interpretation is carried out during Interpretations Committee meetings, when Interpretations Committee members consider the comments on the draft Interpretation and decide whether to proceed with the project.

7.16 After the Interpretations Committee has reached general agreement on the technical matters in the Interpretation, the technical staff presents a paper to the Interpretations Committee summarising the steps that have been taken in developing the Interpretation and assessing whether the proposals can be finalised or if they should be re-exposed.

7.17 When considering whether re-exposure is necessary, the Interpretations Committee applies the same criteria as set out for a board in paragraphs 6.29–6.31. If the Interpretations Committee decides that re-exposure is necessary, the due process to be followed is the same as for the first draft Interpretation, with a minimum comment period determined in accordance with paragraph 7.11.

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Finalising an IFRIC Interpretation

7.18 If the Interpretations Committee is satisfied that it has addressed the identified technical matters, it votes to determine whether there is general agreement to instruct the technical staff to prepare the Interpretation for balloting. General agreement is reached if no more than four members have voted against the Interpretation.

7.19 An Interpretation includes:

(a) requirements specifying the accounting for the transactions or other events within its scope;

(b) references to relevant IFRS Accounting Standards and parts of the *Conceptual Framework* that have been drawn upon in the Interpretation; and

(c) the effective date and transition paragraphs.

7.20 The basis for conclusions states the rationale for the Interpretation. An Interpretation does not include any dissenting opinions of Interpretations Committee members. However, when the Interpretation is submitted to the IASB for ratification, the technical staff paper accompanying the request for ratification identifies how many Interpretations Committee members objected to the Interpretation and their reasons for doing so.

Effective date and transition

7.21 As with any change to IFRS Accounting Standards, an Interpretation includes effective date and transition requirements. The mandatory effective date is set so that jurisdictions have sufficient time to incorporate the new requirements into their legal systems or other systems of financial reporting requirements and those entities applying IFRS Accounting Standards have sufficient time to prepare for the new requirements. Interpretations generally address matters of a narrower scope than a major amendment to a Standard, so the time required to prepare for the new requirements is likely to be shorter.

7.22 The Interpretations Committee also considers how first-time adopters of IFRS Accounting Standards are required to apply the Interpretation, and whether to recommend that the IASB amend IFRS 1 *First-time Adoption of International Financial Reporting Standards*.

Agreement and ratification by the IASB

7.23 After the Interpretations Committee ballots the Interpretation, it is submitted to the IASB for ratification with a technical staff paper summarising the steps that have been taken in developing the Interpretation. The IASB votes to ratify an Interpretation in a public meeting. Ratification requires a supermajority, the same amount of support by board members as is required for a new Standard or an amendment to a Standard.

7.24 IASB members can dissent from the ratification of an Interpretation. If one or more IASB members dissents, that fact is stated in the approvals section of the Interpretation along with their reasons for doing so.

7.25 The IASB votes on the Interpretation as submitted by the Interpretations Committee. If the IASB does not ratify an Interpretation, the IASB provides the Interpretations Committee with reasons for the objection. Based on these reasons, the IASB decides whether to refer the matter back to the Interpretations Committee, to consider it further or to take no further action. The IASB can make editorial changes to the Interpretation or change the effective date, and it informs the Interpretations Committee of any changes it makes.

7.26 Ratified Interpretations are issued by the IASB.

Issuing an IFRIC Interpretation

7.27 The issuance of an Interpretation is announced on the Foundation's website.

8. Supporting consistent application

8.1 The objective of the material described in this section is to improve consistency in the application of the Standards.

Interpretations Committee agenda decisions

8.2 If the Interpretations Committee decides that a standard-setting project is not needed to address a question submitted (see paragraphs 5.16–5.22), the Interpretations Committee explains why in a tentative agenda decision in the IFRIC *Update* and on the Foundation's website. The Interpretations Committee requests comments on tentative agenda decisions, the comment period for which is normally 60 days. After considering the comments, the Interpretations Committee:

(a) confirms its decision and publishes an agenda decision (subject to the IASB not objecting—see paragraph 8.7) and reports additional information, if any, about the topic to the IASB;

(b) revises its decision and re-exposes for comment a revised tentative agenda decision (if the Interpretations Committee decides that re-exposure is necessary, after applying the re-exposure criteria in paragraphs 6.29–6.31); or

(c) reconsiders the need for a standard-setting project (see paragraphs 5.19–5.22).

8.3 In some cases, an agenda decision includes explanatory material. The objective of including such material is to improve consistency in the application of IFRS Accounting Standards. An agenda decision typically includes explanatory material if the Interpretations Committee has concluded that the principles and requirements in IFRS Accounting Standards provide an adequate basis for an entity to determine the required accounting. Explanatory material included as part of a tentative agenda decision is subject to comment.

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8.4 Agenda decisions (including any explanatory material contained within them) cannot add or change requirements in IFRS Accounting Standards. Instead, explanatory material explains how the applicable principles and requirements in IFRS Accounting Standards apply to the transaction or fact pattern described in the agenda decision.

8.5 Explanatory material derives its authority from the IFRS Accounting Standards themselves. Accordingly, an entity is required to apply the applicable IFRS Accounting Standards, reflecting the explanatory material in agenda decisions (subject to the entity having sufficient time to implement that accounting—see paragraph 8.6). Consequently, the IASB takes the following approach in maintaining agenda decisions (see also paragraph 5.16):

(a) an agenda decision is withdrawn if the explanatory material within it refers to requirements that have been changed or removed from IFRS Accounting Standards; and

(b) the references included in the explanatory material are updated with those of the new or amended IFRS Accounting Standard if the requirements have been brought forward unchanged.

8.6 Explanatory material might provide additional insights that might change an entity's understanding of the principles and requirements in IFRS Accounting Standards. An entity might therefore determine that it needs to change an accounting policy because of an agenda decision.[5] It is expected that an entity would be entitled to sufficient time to make that determination and implement any necessary accounting policy change (for example, an entity might need to obtain new information or adapt its systems to implement a change). Determining how much time is sufficient to make an accounting policy change 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 and consider whether disclosure related to the change is required by IFRS Accounting Standards.

8.7 Before an agenda decision is published, the IASB is asked—at the first public meeting at which it is practicable to present the agenda decision—whether it objects to the agenda decision. Specifically, IASB members are asked whether they object to the Interpretations Committee's decision that a standard-setting project is not needed or to the Interpretations Committee's conclusion that the agenda decision does not add or change requirements in IFRS Accounting Standards. If four or more IASB members object, the agenda decision is not published and the IASB decides how to proceed.

Other material to support application of IFRS Standards

8.8 The Foundation publishes material related to the Standards to support the application, implementation or adoption of the Standards, or to facilitate understanding of the Standards. This material includes guidance documents (including material explaining how requirements in the Standards relate to

5 IAS 8 *Basis of Preparation of Financial Statements* addresses accounting policies, accounting estimates and prior period errors.

other organisations' standards), examples, articles, podcasts, webcasts, e-learning modules and presentations for conferences and workshops. The Foundation also sometimes creates material for live events, such as virtual presentations or in-person workshops.

8.9 The material described in paragraph 8.8 is not part of the Standards and their accompanying materials (see paragraph 6.35) and cannot add or change requirements in the Standards. If new requirements or changes to requirements are needed, a board develops an amendment to a Standard applying the applicable due process.

8.10 Because this material supports the Standards without adding or changing requirements, it is not developed in public meetings and is not subject to public consultation. However, it is subject to quality-assurance processes reflecting the material's nature, complexity and expected audience, and to ensure that the material does not add or change requirements in the Standards and is clearly distinguished from the Standards.

8.11 To meet the quality assurances in paragraph 8.10, material described in paragraph 8.8 is subject to review:

(a) by at least one board member for high-level summaries of the requirements in a Standard, such as introductory webcasts on a new Standard;

(b) by at least two board members for detailed material explaining the requirements in a Standard, such as a webcast on aspects of a Standard; and

(c) by at least three board members for material explaining or illustrating how the requirements in a Standard might be applied to particular transactions or other circumstances, such as a new example demonstrating how the requirements might be applied to a particular fact pattern, or explaining how the requirements in the Standards align with those in other organisations' standards.

8.12 If such material refers to both IFRS Accounting Standards and IFRS Sustainability Disclosure Standards, the material is reviewed by members from both boards following the principles in paragraph 8.11 and considering the nature of the content referring to each set of Standards (for example, the material might require review by at least two members from one board and one from the other).

8.13 Material that adapts or uses previously approved and up-to-date material (for example, a slide that contains content from previously approved material about a Standard) does not require any board member review, provided that the text has not been changed from the source material.

8.14 Some materials described in paragraph 8.8 might be developed with third parties. Such material is subject to the same quality assurance processes as material prepared solely by the Foundation. If all of the material is not subject to these processes, the material explains which content has been subject to these processes. In developing material explaining how requirements in the

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Standards relate to another organisation's standards, the Foundation will engage with and seek input from the other organisation to avoid references to its standards being misstated.

8.15 The DPOC receives periodic reports on material published by the Foundation (see paragraph 8.8). The reports identify the nature of the material and the extent of the review by board members, and state the Foundation staff's conclusion as to whether the required review has been performed.

8.16 The Foundation might make available on its website materials related to the Standards prepared by third parties. These third-party materials are not subject to the review described in paragraph 8.11 and are clearly labelled to ensure they can be distinguished from material published by the Foundation.

8.17 When another organisation is developing relevant materials, for example material explaining how the other organisation's sustainability-related standards relate to IFRS Sustainability Disclosure Standards, the Foundation will seek to engage with the other organisation, as appropriate, to provide input into the development of those relevant materials. Responsibility for the content and accuracy of those materials remains with the other organisation.

9. Protocol for Trustee action for perceived breaches of due process

9.1 Alleged breaches of due process are considered in the context of the DPOC's ongoing oversight of the boards' and the Interpretations Committee's due process. Alleged breaches could be raised by external parties (including media reports), internal parties, the DPOC or other Trustees. All parties are encouraged to raise any concerns as soon as they perceive that an alleged breach of due process has occurred.

9.2 The DPOC will consider the alleged breach and the evidence provided by the complainant, the Foundation staff, the boards and the Interpretations Committee. The alleged breach will also be assessed in the context of the reporting measures set out in this *Handbook*.

9.3 The Foundation's website sets out the procedure for submitting a complaint to the DPOC about due process. If such procedure is followed, the complaint, together with the name and details of the complainant, is posted on the Foundation's website.

9.4 The staff responsible for managing Trustee activities (see paragraph 2.5) coordinates an assessment of the complaint and is responsible for ensuring that the DPOC receives a report that includes the complaint and a response from the relevant technical staff. This report is posted on the Foundation's website and is then considered by the DPOC at one of its meetings at which the Chair and/or the Vice-Chair of the relevant board are present. The DPOC can request additional information from the Foundation staff before finalising a response. The response of the DPOC, usually in the form of a letter to the complainant, is also posted on the Foundation's website.

9.5 Although the boards and the Interpretations Committee are required to adhere to these policies and to inform the DPOC of their actions, a breach of due process does not invalidate the related document issued or published by a board. Retrospective steps can be taken to remedy such a situation if it arises and the DPOC can decide that no additional action is required if it concludes that no harm has been done as a result of the breach. In this circumstance the DPOC will make public its conclusions and discussions in line with the reporting requirements set out in paragraph 2.13.

9.6 If the majority of the DPOC concludes that a board or the Interpretations Committee has breached due process, the DPOC will request that the board or the Interpretations Committee take action to remedy the breach, either within the current phase of the project to which the breach relates or by taking some additional steps in a future phase of that project.

9.7 If the DPOC and the board or the Interpretations Committee cannot resolve differences of opinion as to whether due process has been breached, or cannot agree on the action to remedy a breach, the matter will be brought to the attention of the Trustees, who will then resolve it (see paragraph 9.9). The Trustees might need to convene a meeting to consider the matter. Such a meeting can be held virtually if a prompt response is required.

9.8 If a due process complaint relates to a project for which a board has yet to issue a new Standard, an amendment to a Standard or an Interpretation, the board or the Interpretations Committee will not be permitted to complete that particular phase of the project until the DPOC or the Trustees have addressed the complaint. As stated in paragraph 9.5, a breach of due process does not invalidate the related document issued or published by the board. Accordingly, if the matter relates to a Standard, an amendment to a Standard or an Interpretation that has been issued by a board, that document remains valid in all respects until the DPOC or the Trustees have addressed the complaint. In such cases the DPOC or the Trustees are required to address the complaint as soon as possible, taking into consideration the effective date of the Standard, amendment to a Standard or Interpretation.

9.9 If differences of opinion between the DPOC and a board or the Interpretations Committee cannot be resolved, or if they cannot agree on the action to remedy a breach (see paragraph 9.7), the staff responsible for managing Trustee activities, in consultation with the DPOC Chair, prepares a full brief for consideration by the Trustees. If the majority of Trustees attending a quorate meeting conclude that the board or the Interpretations Committee is in breach of its due process, the board or the Interpretations Committee follows any steps the Trustees decide are necessary to be satisfied that due process is remedied.

9.10 The DPOC and the Trustees cannot invoke concerns about the technical financial reporting conclusions of a board or the Interpretations Committee as evidence of a breach of due process.

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Annex A

The SASB Standards and the SASB Standards Taxonomy due process

Maintenance of the SASB Standards

A1 The ISSB assumed responsibility for the SASB Standards after the IFRS Foundation and the Value Reporting Foundation consolidated in August 2022. The SASB Standards are separate from IFRS Sustainability Disclosure Standards, and entities are not required to apply the SASB Standards to assert compliance with IFRS Sustainability Disclosure Standards. However, an entity applying IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* is required to refer to and consider the applicability of the SASB Standards when identifying sustainability-related risks and opportunities and in identifying appropriate disclosures. Thus, despite their non-mandatory nature, the SASB Standards have a unique and important role in IFRS S1 compared with standards and frameworks issued by other standard-setters.

A2 The ISSB, which has responsibility for the strategic direction of the SASB Standards, makes decisions in public meetings when finalising or proposing changes to the SASB Standards, as it does for IFRS Sustainability Disclosure Standards. Proposed amendments to the SASB Standards are exposed for public comment by the ISSB and the due process requirements related to the content of an exposure draft (that is, the parts or components that are included in the document) are identical to those for IFRS Sustainability Disclosure Standards. Consistent with the process for IFRS Sustainability Disclosure Standards, all comment letters on exposure drafts are posted on the Foundation's website.

A3 The ISSB is assisted in its work by a subset of ISSB members referred to as the SASB Standards Board Adviser Group (Group). The number of board members assigned to the Group is the maximum number permitted by paragraph 3.43. That number is restricted so that the board members cannot form a potential blocking minority. The composition of the Group aims to maintain geographical diversity in its membership. The ISSB can use the Group to develop for ratification by the ISSB exposure drafts of amendments to the SASB Standards and, after considering the comment letters and any other feedback from stakeholders on the exposure drafts, the amendments to the SASB Standards. The Group meets in private but the staff can bring matters to the ISSB for discussion in public meetings.

A4 If the Group is used to develop amendments to the SASB Standards, the ISSB votes at its public meetings to ratify exposure drafts of the amendments to the SASB Standards and, subsequently, final amendments to the SASB Standards. Ratification requires a supermajority, the same amount of support by ISSB members as is required for an amendment to an IFRS Sustainability Disclosure Standard.

A5 After the Group has developed an exposure draft, the exposure draft is submitted to the ISSB for ratification together with a technical staff paper that summarises the steps taken in developing the exposure draft and recommends a comment period for the exposure draft. The ISSB sets a comment period applying the same due process requirements as for an exposure draft of an IFRS Standard (see paragraphs 6.8–6.9).

A6 Similarly, after the Group has developed the amendments to the SASB Standards, having considered the comment letters and any other feedback from stakeholders, the amendments are submitted to the ISSB for ratification together with a staff paper summarising the steps that have been taken in developing the amendments and assessing whether the proposals can be finalised or whether they should be re-exposed. The ISSB considers whether re-exposure is necessary by applying the same due process requirements as for an IFRS Standard (see paragraphs 6.29–6.32).

A7 ISSB members can dissent from the ratification of an exposure draft of amendments to the SASB Standards or from the ratification of amendments to the SASB Standards. If one or more ISSB members dissent, that fact is stated in the approvals section of the exposure draft or issued amendment together with their reason for doing so.

A8 Ratified exposure drafts of amendments to the SASB Standards and ratified amendments to the SASB Standards are published by the ISSB.

A9 The publication of an exposure draft of amendments to the SASB Standards and amendments to the SASB Standards is announced on the Foundation's website.

A10 After amendments to the SASB Standards are published, the Foundation applies the post-publication procedures described for IFRS Standards in paragraphs 6.43–6.50.

A11 If the status of a SASB Standard or the SASB Standards changes such that entities are required to apply the SASB Standard or the SASB Standards to assert compliance with IFRS Sustainability Disclosure Standards, that change would be subject to the same due process procedures as are required for other IFRS Sustainability Disclosure Standards. Any change to the role of the SASB Standards as set out in IFRS S1 would result in an amendment to IFRS S1. Such an amendment would be subject to the same due process procedures as is required for other amendments to IFRS Sustainability Disclosure Standards.

A12 The ISSB could also decide to use the Group to develop, for ratification and publication by the ISSB, discussion papers and requests for information related to the SASB Standards. Ratification requires a simple majority, the same amount of support by ISSB members as is required for other discussion papers and requests for information published by the ISSB (see paragraph 4.18). The ISSB sets a comment period for discussion papers and requests for information applying the due process requirements in paragraph 4.19.

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Updates to the SASB Standards Taxonomy

A13 The SASB Standards Taxonomy includes elements for tagging sustainability-related financial information prepared in accordance with the SASB Standards. It is designed for use by entities applying IFRS Sustainability Disclosure Standards in conjunction with the IFRS Sustainability Disclosure Taxonomy and by preparers applying the SASB Standards independently of IFRS Sustainability Disclosure Standards.

A14 The ISSB is responsible for the maintenance of the SASB Standards Taxonomy and is assisted in its work by the Group. The Group develops for ratification by the ISSB proposed SASB Standards Taxonomy updates and, after considering stakeholder feedback, the final updates. The ISSB discusses the stakeholder feedback on proposed SASB Standards Taxonomy updates at public meetings and publishes proposed and final SASB Standards Taxonomy updates.

A15 Approval of proposed and final SASB Standards Taxonomy updates for content reflecting amendments to the SASB Standards requires a supermajority of ISSB members by way of ballot, the same amount of support as is required for IFRS Sustainability Disclosure Taxonomy updates reflecting new or amended IFRS Sustainability Disclosure Standards. The comment period for proposed SASB Standards Taxonomy updates is the same as for those related to the IFRS Sustainability Disclosure Taxonomy (see paragraph B40).

Annex B

The IFRS Taxonomies due process

IFRS Taxonomies and their objectives

B1 The IFRS Taxonomies are structured digital classification systems. They include the IFRS Accounting Taxonomy and the IFRS Sustainability Disclosure Taxonomy. The IFRS Taxonomies comprise the elements (including their descriptions, properties, relationships and the data model) that can be used to facilitate reporting in a computer-readable format of quantitative and qualitative information included in general purpose financial reports and prepared in accordance with the Standards (including the *IFRS for SMEs* Accounting Standard).

B2 The main purpose of the IFRS Taxonomies is to support the consistent tagging of information prepared applying the Standards. In doing so, the Foundation assists preparers and users of general purpose financial reports that report and receive information in a structured electronic format.

B3 The IFRS Taxonomies reflect the presentation and disclosure requirements in the Standards. However, they are not an integral part of the Standards. Development and publication of an IFRS Taxonomy by a board and the Foundation helps to ensure that an IFRS Taxonomy is consistent with and does not interpret the requirements in the related Standards.

The components of the IFRS Taxonomies

B4 An IFRS Taxonomy has two components:

(a) the IFRS Taxonomy content: the set of elements (including associated descriptions, properties, relationships and the data model) used to reflect:

  (i) presentation and disclosure requirements in the Standards (including Interpretations) and the accompanying materials to the Standards (implementation guidance, illustrative examples);

  (ii) IFRS reporting practice (common practice);

  (iii) general improvements; and

  (iv) other taxonomy content not referred to explicitly in the Standards or the accompanying materials to the Standards.

(b) the IFRS Taxonomy technology: the taxonomy features, including the syntax used to publish and express the content of an IFRS Taxonomy and the taxonomy architecture used. The architecture relates to taxonomy characteristics, such as naming protocols and how the IFRS Taxonomy content is organised into files. The IFRS Taxonomy technology does not include the internal systems used by the Foundation to manage and generate the *IFRS Taxonomy files* and documents.

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The objectives of the IFRS Taxonomies due process

B5 Content and technology are important features of a taxonomy that supports high-quality and consistent application of the Standards and are interrelated. The IFRS Taxonomy due process is designed to protect the integrity of the content and technology of an IFRS Taxonomy, in particular to ensure that:

(a) the IFRS Taxonomy content:

(i) does not conflict with, and does not represent an interpretation of or additional application guidance on, the Standards or the *Conceptual Framework*; and

(ii) assists with the effective and efficient communication, dissemination and analysis of information presented or disclosed by entities applying the Standards.

(b) the IFRS Taxonomy technology:

(i) adheres to the specifications of the technical syntax used to deliver and express the IFRS Taxonomy content; and

(ii) reflects best practices to facilitate adoption by current and future users of the IFRS Taxonomies and to remain relevant and up to date.

IFRS Taxonomy due process publications

B6 The two IFRS Taxonomy due process publications are an *IFRS Taxonomy update* and IFRS Taxonomy files.

IFRS Taxonomy updates

B7 A proposed IFRS Taxonomy update is used to describe and consult on proposed updates to the content or technology of an IFRS Taxonomy. An IFRS Taxonomy update is published for the final changes to an IFRS Taxonomy.

B8 An IFRS Taxonomy update contains information in a human-readable form, including:

(a) the questions on which feedback is sought (for a proposed IFRS Taxonomy update);

(b) the proposed (or final) amendments being made (for example, the elements being added or removed from an IFRS Taxonomy); and

(c) the reasons behind these changes and, if alternative options exist, the reasoning as to why a specific option is preferred.

IFRS Taxonomy files

B9 IFRS Taxonomy files are the files used to deliver and express the IFRS Taxonomy content by way of a taxonomy delivery mechanism, such as the eXtensible Business Reporting Language (XBRL) syntax. These files allow computers to process the IFRS Taxonomies and render their content using various software applications.

B10 *Proposed IFRS Taxonomy files* expose the proposed updates to an IFRS Taxonomy, whereas IFRS Taxonomy files represent the final updates.

B11 The Foundation might also publish IFRS Taxonomy supporting and educational materials, such as files that provide IFRS Taxonomy content in human-readable form.

The IFRS Taxonomy Review Panels

B12 Each board has a designated group, the IFRS Taxonomy Review Panel, to provide oversight over IFRS Taxonomy content not explicitly referred to in the Standards (and their accompanying materials). Each IFRS Taxonomy Review Panel consists of three to five members of the relevant board and at least one senior member of the technical staff.

The IFRS Taxonomy Consultative Group

B13 The boards have a consultative group for their taxonomy-related activities, the IFRS Taxonomy Consultative Group (ITCG).

B14 The ITCG operates under the general principles set out for consultative groups as described in paragraphs 3.59–3.65. The ITCG also has terms of reference that set out its objectives and its workings.

B15 The technical staff consults the ITCG during the development of IFRS Taxonomy updates.

Review and approval of the IFRS Taxonomies

Reviews and approval by a board

B16 Approval of proposed IFRS Taxonomy updates and IFRS Taxonomy updates for IFRS Taxonomy content reflecting a new Standard or an amendment to a Standard (and their accompanying materials) requires the support of a supermajority of the relevant board, by means of a ballot.

B17 General improvements and changes to IFRS Taxonomy common practice and any other content not explicitly referred to in the Standards (and their accompanying materials) are subject to review—but not approval—by the relevant IFRS Taxonomy Review Panel. These changes are normally not discussed or reviewed by the relevant board. However, if considered appropriate, any member of the relevant IFRS Taxonomy Review Panel can decide to raise a matter relating to these changes for discussion and review by the relevant board at a public board meeting.

B18 The relevant IFRS Taxonomy Review Panel also reviews the technical staff's proposals for the initiation of a new IFRS Taxonomy common practice or general improvements project, or any other project that affects the content of an IFRS Taxonomy but does not directly result from the issuance of a new Standard or an amendment to a Standard. This includes any content amendments resulting from a change to the technology of the IFRS Taxonomies.

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B19 Changes solely affecting the technology of the IFRS Taxonomies are not approved or reviewed by either the boards or the IFRS Taxonomy Review Panels, but are assessed by the ITCG (see paragraphs B37–B39).

Reviews by the ITCG

B20 The boards do not review or approve proposed IFRS Taxonomy files or IFRS Taxonomy files. However, the ITCG reviews proposed IFRS Taxonomy files and IFRS Taxonomy files to help ensure the technical integrity of the related IFRS Taxonomies. The ITCG also reviews proposed IFRS Taxonomy updates and IFRS Taxonomy updates and might also be asked to review IFRS Taxonomy educational and supporting materials.

B21 For a new Standard or an amendment to a Standard, the ITCG review period is normally aligned with the editorial review period of the related Standard (see paragraphs 3.33–3.35 for the process for editorial reviews of the Standards). For other reviews, and for cases in which no editorial review of the related Standard takes place, the ITCG normally has a 14-day period in which to conduct its reviews. If the matter is considered narrow in scope or urgent, the period can be reduced, but cannot be less than seven days.

B22 Because reviewers convey their personal views instead of those of their organisations, their comments are not made public unless the ITCG member making the comment agrees. The technical staff normally summarises the comments from ITCG members at a public meeting of the ITCG.

Review processes for proposed IFRS Taxonomy updates and IFRS Taxonomy updates

B23 Tables B1 and B2 show the required review and approval for proposed IFRS Taxonomy updates and IFRS Taxonomy updates (see the paragraphs referenced in parentheses for details):

Table B1—Review process for a new IFRS Standard or amendment to an IFRS Standard

	Proposed IFRS Taxonomy update		**IFRS Taxonomy update**	
	Board approval	**ITCG**	**Board approval**	**ITCG**
New Standard or amendment to a Standard	Required (B16)	Optional (B30)	Required (B16)	Optional (B49)

Table B2—Review process for common practice, general improvements and technology

	Proposed IFRS Taxonomy update		**IFRS Taxonomy update**	
	IFRS Taxonomy Review Panel	**ITCG**	**IFRS Taxonomy Review Panel**	**ITCG**
Common practice	Required (B17, B34)	Optional (B36)	Required (B17)	Optional (B49)

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General improvements	Required (B17, B34)	Optional (B36)	Required (B17)	Optional (B49)
Technology	Not required (B19)	Required (B39)	Not required (B19)	Optional (B49)

DPOC oversight of the IFRS Taxonomies due process

B24 At each of its meetings, the DPOC receives an update about IFRS Taxonomy due process publications in the period and, if applicable, the date each publication was approved by the relevant board. The DPOC also receives each year the report of the Foundation staff's review of the ITCG (see paragraph 3.65).

Initiating a proposal to update an IFRS Taxonomy

B25 IFRS Taxonomy updates might relate to a change to the content or technology of an IFRS Taxonomy, or both. If an IFRS Taxonomy update changes both the content and technology of an IFRS Taxonomy, the due process for that IFRS Taxonomy update combines the processes for updates to the content and the technology of an IFRS Taxonomy.

Content changes reflecting new or amended IFRS Standards

B26 The IFRS Taxonomy content reflects new Standards and amendments to Standards to ensure that the IFRS Taxonomies accurately reflect the Standards.

B27 The Standards are written clearly and consistently to allow requirements to be represented appropriately in the IFRS Taxonomies. Consequently, the implications of the Standards on the relevant IFRS Taxonomy are considered during the development of a new Standard or an amendment to a Standard. The technical staff prepares papers for the relevant board to consider at public meetings. These papers might include IFRS Taxonomy content-related matters if the board is required to review or approve a specific topic.

B28 The Foundation might make IFRS Taxonomy materials reflecting the presentation and disclosure requirements of an exposure draft or a draft Interpretation available on its website. These materials do not constitute a proposed IFRS Taxonomy update and therefore the relevant board need not approve them. The aim of these materials is to facilitate the understanding of the proposed presentation and disclosure requirements. A proposed IFRS Taxonomy update is normally developed only for a new Standard or an amendment to a Standard.

B29 Proposed IFRS Taxonomy files for content amendments reflecting a new Standard or an amendment to a Standard are prepared if appropriate. When assessing whether such files should be prepared, the technical staff reviews the scope of the proposed changes and their likely effect on users of the related IFRS Taxonomy.

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B30 The technical staff normally provides a draft outline of the proposed IFRS Taxonomy update and, if they have been prepared, the proposed IFRS Taxonomy files, for review by members of the ITCG. Members of the ITCG are asked to review whether the proposed changes to the content of the IFRS Taxonomy reflect the amendments to the Standard accurately and in the most appropriate way.

General improvements, new common practice and other content changes

B31 General improvements might include, for example, changes to data models to better support consistent tagging or new elements to better reflect presentation and disclosure requirements in the Standards. *IFRS Taxonomy common practice content* relates to disclosures that entities commonly report in practice when applying the Standards but are not explicitly referred to in the Standards (and their accompanying materials). Other content changes might include, for example, IFRS Taxonomy element definitions or IFRS Taxonomy implementation guidance.

B32 The technical staff and the IFRS Taxonomy Review Panels consider adding topics to the IFRS Taxonomy work plan for IFRS Taxonomy content not referred to explicitly by the Standards, based primarily on the needs of the users of the IFRS Taxonomies. For example, a new common practice project might arise from a post-implementation review of a Standard or feedback from securities regulators and other users of the IFRS Taxonomies.

B33 The process to develop proposed content changes to an IFRS Taxonomy that do not respond to a new Standard or an amendment to a Standard depends on the type and the purpose of the content change. For example, for a common practice project, the technical staff might perform an empirical analysis of general purpose financial reports and set benchmark criteria to identify and select proposed new taxonomy elements. The Foundation makes materials that document such development processes publicly available.

B34 Review of proposed content changes by the relevant IFRS Taxonomy Review Panel is a mandatory step. If the IFRS Taxonomy Review Panel does not highlight any issues that require further investigation, the technical staff proceeds with drafting the proposed IFRS Taxonomy update.

B35 Proposed IFRS Taxonomy files are prepared if appropriate. The technical staff, when assessing whether such files should be prepared, reviews the scope of the proposed changes and their likely effect on users of the related IFRS Taxonomy.

B36 The technical staff normally provides a draft outline of the proposed IFRS Taxonomy update and, if they have been prepared, the proposed IFRS Taxonomy files, for review by members of the ITCG.

Technology changes

B37 IFRS Taxonomy technology changes might affect the way the IFRS Taxonomies have been implemented by their users. The technical staff assesses the necessity of any planned changes and develops any such changes in consultation with the ITCG, while also conducting targeted outreach (for example, with securities regulators and software vendors). If the changes are expected to be substantial or alternative options exist, a request for information might be published before publishing a proposed IFRS Taxonomy update.

B38 A proposed IFRS Taxonomy update describing the technology changes and proposed IFRS Taxonomy files are prepared and exposed for public comment.

B39 The technical staff provides the ITCG members with a draft outline of the proposed IFRS Taxonomy update, a draft of the proposed IFRS Taxonomy files and, when published, any draft of the request for information for their review prior to publication and consultation.

Publication and consultation

B40 Proposed IFRS Taxonomy updates and, when prepared, proposed IFRS Taxonomy files are subject to public consultation. The comment period will normally be at least 60 days. The comment period can be reduced, but to no less than 30 days, if the matter is urgent or narrow in scope:

(a) for a proposed change that is narrow in scope, a reduced comment period does not require approval from the DPOC. For proposed content changes the relevant board or when appropriate the relevant IFRS Taxonomy Review Panel can consider a comment period of no less than 30 days. For proposed technology changes, the technical staff can consider a comment period of no less than 30 days after consulting the ITCG.

(b) for a proposed change that is urgent but not narrow in scope, a reduced comment period requires approval from the DPOC.

B41 Paragraphs B29 and B35 state that the preparation of proposed IFRS Taxonomy files that reflect proposed content updates is an optional step. No public consultation on these files is required for content updates, because the updated files only capture the proposed content changes set out in the proposed IFRS Taxonomy update. If these files are prepared, they are published at the same time or shortly after the publication of the related proposed IFRS Taxonomy update.

B42 An IFRS Taxonomy update can include unrelated updates to the related IFRS Taxonomy, for example an update resulting from a new Standard and an update resulting from a change to the IFRS Taxonomy technology or a common practice addition. However, the Foundation will normally publish only one set of proposed IFRS Taxonomy files, including all proposed updates.

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B43 When developing a proposed IFRS Taxonomy update, the relevant board and the technical staff consider whether they need to take additional steps to consult stakeholders on the proposed changes. These additional steps could include, for example, private meetings with securities regulators and other IFRS Taxonomy users, field testing of proposed technology changes by software vendors or the setting up of a taskforce to test proposed content changes. Feedback from this additional consultation is considered and assessed along with public comment letters.

Finalising updates to an IFRS Taxonomy

Consideration of comments and consultations

B44 All comment letters on a proposed IFRS Taxonomy update and, when published, proposed IFRS Taxonomy files are posted on the Foundation's website. The technical staff analyses the comments and evaluates whether to recommend changes to the original proposals and whether any revised proposals should be re-exposed.

B45 The technical staff discusses the comments and the changes to the original proposals, including any proposal to re-expose, with:

(a) the relevant board at a public meeting (for new Standards or amendments to Standards);

(b) the IFRS Taxonomy Review Panel, with a public summary of these discussions being prepared by the technical staff if necessary (for general improvements, common practice and other taxonomy content reflecting new Standards or amendments to Standards not referred to explicitly by the Standards); and

(c) the ITCG at a public meeting (for changes to the technology of the IFRS Taxonomies).

B46 The DPOC is informed about the due process steps that have been undertaken prior to the finalisation of substantive changes to the IFRS Taxonomy technology.

Drafting, review and issuance

B47 After comments have been considered and discussed, the technical staff proceeds with the drafting, board approval (for content changes reflecting new Standards or amendments to the Standards) and the publication of an IFRS Taxonomy update.

B48 The preparation and publication of IFRS Taxonomy files is a mandatory step for final updates to the content and the technology of an IFRS Taxonomy.

B49 ITCG reviews of IFRS Taxonomy files and IFRS Taxonomy updates are optional. When assessing whether such a review would be useful, the technical staff considers the nature of any changes being made to the original proposals.

IFRS Taxonomy compilations, translations and editorial corrections

B50 The Foundation makes available compiled IFRS Taxonomies using content and technology that have previously been subject to due process. Consequently, no public consultation is required before a compiled IFRS Taxonomy is published. A compiled IFRS Taxonomy is made available at least annually.

B51 IFRS Taxonomy content is translated in response to requests from jurisdictions that have adopted, or are developing an interest in, the IFRS Taxonomies. Translations of the IFRS Taxonomies follow the same procedures as those for translations of the Standards (see paragraphs 6.45–6.50).

B52 The technical staff might make editorial corrections to the IFRS Taxonomies after publication to correct any errors. Editorial corrections do not alter the intended meaning of IFRS Taxonomy elements or change the technology of the IFRS Taxonomies. For example, editorial corrections might fix specific XBRL attributes such as debit or credit or element label spelling errors. The technical staff might also make maintenance changes to the IFRS Taxonomies (for example, an update to the effective and expiry dates of the IFRS Taxonomy elements to reflect the passage of time). Editorial corrections and maintenance amendments are post-publication procedures and need not be approved, reviewed or exposed for public consultation.

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Glossary of terms

Accounting Standards Advisory Forum	A technical advisory body to the International Accounting Standards Board (IASB). Its objective is to provide an advisory forum in which members can constructively contribute towards the achievement of the IASB's goal of developing globally accepted high-quality accounting standards.
comment letter	A letter or a formal submission received by a board in response to a consultation document. All comment letters are made public on the IFRS Foundation's website.
consultative group	A group that a board or the Interpretations Committee consults. Such groups provide the board with feedback based on research, experience or background (for example, to offer various perspectives on a given topic). The Due Process Oversight Committee reviews the proposed composition of consultative groups. For each of its major projects, the board considers whether it should create a consultative group. If the board decides not to create a consultative group, it explains its reasons in a public meeting.
discussion paper	A paper published by a board that presents the analysis and collective views of the board on a particular topic. The matters presented will have been discussed in public meetings of the board. Discussion papers are issued for public comment, the feedback from which informs the board and helps it to assess whether and how to develop a new IFRS Standard or amendments to an IFRS Standard.
draft for editorial review	A draft of a due process document that a board and the technical staff use to gather drafting feedback. A draft for editorial review might be distributed to a specific group of reviewers or made more widely available on the IFRS Foundation's website. Reviewers are asked whether the draft document is clear and whether it contains any inconsistencies. A draft for editorial review does not include an invitation to comment because the purpose of such a review is not to question the technical decisions.
effects analysis	A process for assessing the likely effects of a new IFRS Standard or an amendment to a Standard, which is undertaken as the new requirements are developed. The process culminates with an analysis presented as part of or with the basis for conclusions published with a new Standard or an amendment to a Standard that summarises the board's assessment of the likely effects of the new requirements.
exposure draft	A draft of a proposed IFRS Standard, an amendment to an IFRS Standard or an IFRIC Interpretation issued for public comment. An exposure draft sets out a specific proposal and includes a basis for conclusions and, if relevant, alternative views. An exposure draft is a mandatory due process step.
feedback statement	A document that summarises how a board has responded to feedback from stakeholders on a formal consultation such as an exposure draft or a post-implementation review.

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fieldwork	Work conducted with stakeholders to help a board assess the likely effects of proposed new requirements. Fieldwork might include experimentally applying proposed new requirements to individual transactions or contracts as if the proposed new requirements were already in effect, asking for feedback on the proposed wording of a particular proposal or assessing the extent of system changes that would be required if the proposed new requirements were implemented. Fieldwork also includes gathering examples from practice to help the board gain a better understanding of industry practices and how these might be affected by proposed new requirements.
IASB *Update*	A summary of decisions made at a public meeting of the International Accounting Standards Board.
ISSB *Update*	A summary of decisions made at a public meeting of the International Sustainability Standards Board.
IASB–ISSB *Update*	A summary of decisions made at a joint public meeting of the International Accounting Standards Board and the International Sustainability Standards Board.
IFRIC *Update*	A summary of decisions made at a public meeting of the IFRS Interpretations Committee.
IFRIC Interpretations	Interpretations are developed by the IFRS Interpretations Committee before being ratified and issued by the International Accounting Standards Board. IFRIC Interpretations are part of IFRS Accounting Standards.
IFRS Advisory Council	An advisory body that provides a formal vehicle through which organisations and individuals with an interest in international financial reporting can participate. The participants have diverse geographical and functional backgrounds. The Advisory Council's objective is to provide broad strategic advice to the Trustees and the boards. The members of the Advisory Council are appointed by the Trustees.
IFRS Standards	IFRS Accounting Standards issued by the International Accounting Standards Board and IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board. IFRS Accounting Standards comprise International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations.
invitation to comment	A document that accompanies a discussion paper or exposure draft and sets out the matters on which a board is seeking feedback.
post-implementation review	A review of an IFRS Standard or major amendment to a Standard undertaken by the relevant board.
practice guidance	Non-mandatory guidance developed by a board, including on a topic not addressed by an IFRS Standard (such as management commentary).

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public hearing	A meeting with interested organisations to listen to, and exchange views on, specific topics. Public hearings include round-table meetings and discussion forums.
re-exposure	A formal request for comments on a revised version of an exposure draft.
request for information	A formal consultation step that a board performs to receive feedback and information on a matter related to a technical project or broader consultation.
research paper	A paper published by a board that was not developed in public meetings, distinguishing it from a discussion paper. Research papers can be prepared by the technical staff. Research papers can also be prepared by other standard-setters or bodies, normally at the request of a board.
simple majority	For a board, a simple majority is achieved when, if voting in a public meeting, more than half of the board members present at a public meeting attended by at least 60% of the board members in person or virtually vote in favour of a decision, or when, if voting by ballot, more than half of the board members vote in favour of publishing a document by way of ballot. Abstaining is equivalent to voting against a proposal.
snapshot	A summary of the main aspects of a discussion paper or exposure draft.
supermajority	For a board, a supermajority is achieved when eight members ballot or vote in favour of publishing a document if the board has 13 or fewer members, and nine in favour if the board has 14 members. Abstaining is equivalent to voting against a proposal.
Sustainability Standards Advisory Forum	A technical advisory body to the International Sustainability Standards Board (ISSB). Its objective is to provide an advisory forum in which members can constructively contribute towards the achievement of the ISSB's goal of developing high-quality standards that provide a global baseline of sustainability-related disclosures.
sweep issue	A technical matter identified during the balloting of a document that needs to be resolved by a discussion by a board or the Interpretations Committee in a public meeting.

SASB Standards terms

SASB Standards
A set of industry-based sustainability-related disclosure standards. The ISSB has been responsible for maintaining and enhancing the SASB Standards since the Value Reporting Foundation was consolidated into the IFRS Foundation. The SASB Standards include industry descriptions, disclosure topic summaries and associated metrics and their technical protocols (disclosure guidance) to help entities identify sustainability-related risks and opportunities, and provide material information about them to users of general purpose financial reports.

SASB Standards Taxonomy
A structured digital classification system that comprises the elements (including their descriptions, properties, relationships and the data model) that can be used to facilitate reporting of quantitative and qualitative information prepared in accordance with the SASB Standards in a computer-readable format.

IFRS Taxonomy terms

IFRS Taxonomy
A structured digital classification system that comprises the elements (including their descriptions, properties, relationships and the data model) that can be used to facilitate reporting of quantitative and qualitative information included in general purpose financial reports and prepared in accordance with IFRS Standards (including the *IFRS for SMEs* Accounting Standard) in a computer-readable format.

IFRS Taxonomy common practice content
IFRS Taxonomy elements (including their descriptions, properties, relationships and data model) to reflect disclosures that are commonly disclosed in practice by entities applying IFRS Standards. These elements are not referred to explicitly in the Standards or the accompanying materials to the Standards.

IFRS Taxonomy files
The files used to express and deliver the IFRS Taxonomy content employing a taxonomy delivery mechanism, such as the eXtensible Business Reporting Language (XBRL) syntax. These files allow computers to automatically process an IFRS Taxonomy and to render its content using various software applications.

IFRS Taxonomy update
A document that describes in human-readable form the changes that are being made to an IFRS Taxonomy, why these changes are being made and, if alternative options exist, the reasoning as to why a particular option is preferred.

proposed IFRS Taxonomy files
The files that are used to express and deliver proposed updates to both the content and the technology of an IFRS Taxonomy employing a taxonomy delivery mechanism, such as the eXtensible Business Reporting Language (XBRL) syntax. The files allow computers to automatically process an IFRS Taxonomy and to render its content using various software applications.

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proposed IFRS Taxonomy update	A document that exposes the changes to the technology or content of an IFRS Taxonomy for public comment. It describes in human-readable form the proposed changes, why these changes are being made and, if alternative options exist, the reasoning as to why a particular option is preferred. It also includes the questions on which feedback is sought.

Appendix—History of the IFRS Foundation *Due Process Handbook*

This appendix summarises the development of the IFRS Foundation *Due Process Handbook*. Although the appendix accompanies the *Handbook*, it is not an integral part of the *Handbook* and may be updated from time to time.

In establishing its consultative arrangements, the IASB originally drew upon, and expanded the practices of, national standard-setters and other regulatory bodies. The IASB sought to enhance its procedures in 2004 and proposed a series of steps to improve transparency. Those steps, after public consultation, were incorporated into practice.

March 2006—The Trustees published the first version of the *Due Process Handbook* for the IASB.

January 2007—The Trustees published the *Due Process Handbook* for the IFRIC.

October 2008—The Trustees added an extract from the *Constitution* on the Trustees' oversight role to the *Due Process Handbook* for the IASB (Appendix IV).

July 2009—The Trustees made major amendments to the *Due Process Handbook* for the IASB:

- to reflect the renaming of the Trustees Procedures Committee, which had the task of regularly reviewing IASB procedures, to the Due Process Oversight Committee (DPOC); and
- to add sections on project summaries, feedback statements, impact analysis and post-implementation reviews, incorporating some material from previous sections.

December 2010—As a consequence of the second five-yearly review of the *Constitution*, the Trustees republished versions of both due process handbooks to reflect:

- the renaming of the International Accounting Standards Committee (IASC) Foundation to the IFRS Foundation;
- the renaming of the International Financial Reporting Interpretations Committee (IFRIC) to the IFRS Interpretations Committee (Interpretations Committee); and
- the renaming of the Standards Advisory Council (SAC) to the IFRS Advisory Council.

February 2011—The Trustees amended the *Due Process Handbook* for the IASB:

- to introduce a three-yearly public review of the IASB's technical work programme; and
- to add criteria for deciding whether a matter could be exposed as part of the annual improvements process.

February 2013—The DPOC completed major revisions to the due process handbooks of the IASB and Interpretations Committee:

- to combine the IASB and Interpretations Committee handbooks into one document.
- to describe the three-yearly public review of the IASB work programme. The *Due Process Handbook* clarified that the focus of the review was on seeking formal, public input on the strategic direction and balance of the IASB's work programme.

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- to reflect enhancements to the DPOC's role. The DPOC's responsibilities in overseeing the due process of the IASB and the Interpretations Committee were outlined. This section also described the protocols for the action that the Trustees could take in the event of a perceived breach of due process.
- to include a more extensive discussion of the process to assess the likely effects of a Standard. More importantly, the *Due Process Handbook* was updated to reflect the fact that the IASB had begun the process of embedding this assessment throughout the development of a Standard rather than simply having an assessment document at the end of the process.

The other substantive changes included:

- the description of a research programme, which would become the development base from which potential standards-level projects would be identified. The use of a discussion paper as the first external due process document was moved into this research programme and would precede a proposal to add a major standards-level project to the IASB work programme.
- the addition of a new section on maintenance, which formalised the practice that the IASB and Interpretations Committee had been following for addressing matters that were narrow in scope. The IASB was given the discretion to initiate changes that were narrow in scope as part of the general maintenance of Standards. The new section also explained how the activities of the IASB and its Interpretations Committee were closely related.
- the expansion of the sections that explained post-implementation reviews. These described in more detail how the IASB expected to develop each review and included an explanation of the related public consultation.

The redrafted *Due Process Handbook* was also updated to reflect actual practice and include expanded discussions of some matters that seemed not to be well understood, such as the nature and purpose of education sessions and small group meetings, the different types of consultative groups that the IASB uses and the manner in which the IASB uses fieldwork to support the development of Standards.

June 2016—The DPOC published a revision of the *Due Process Handbook* that gave the IASB a role in approving the IFRS Taxonomy. This process was described in an annex to the *Handbook*. The XBRL Handbook that documented due process for the IFRS Taxonomy was withdrawn. The DPOC also extended the interval between agenda consultations by the IASB from three years to five years as a consequence of changes to the *Constitution*.

August 2020—The DPOC approved the publication of the updated *Due Process Handbook* including changes:

- to reflect developments in the IASB's effects analysis process;
- to clarify the role of Interpretations Committee agenda decisions and enhance the due process associated with agenda decisions by giving the IASB a role in their finalisation;
- to refine the consultation required before the IASB adds major projects to its work plan; and

- to update the level of review required for educational material published by the IFRS Foundation.

April 2026—The DPOC revised the *Due Process Handbook* to reflect the creation of the ISSB. Although the ISSB had applied the due process set out in the *Handbook* for the IASB since it began operating in 2022, the amendments specify formally that the due process in the *Handbook* applies to the ISSB as well as the IASB.

The amendments to the *Handbook* also set out the due process for the SASB Standards and the SASB Standards Taxonomy. The DPOC approved and published this due process on the Foundation's website in 2022.

The amendments also include some enhancements and clarifications relating to:

- post-implementation reviews of IFRS Standards;
- the Interpretations Committee;
- minor improvements to IFRS Standards; and
- material to support application of IFRS Standards.

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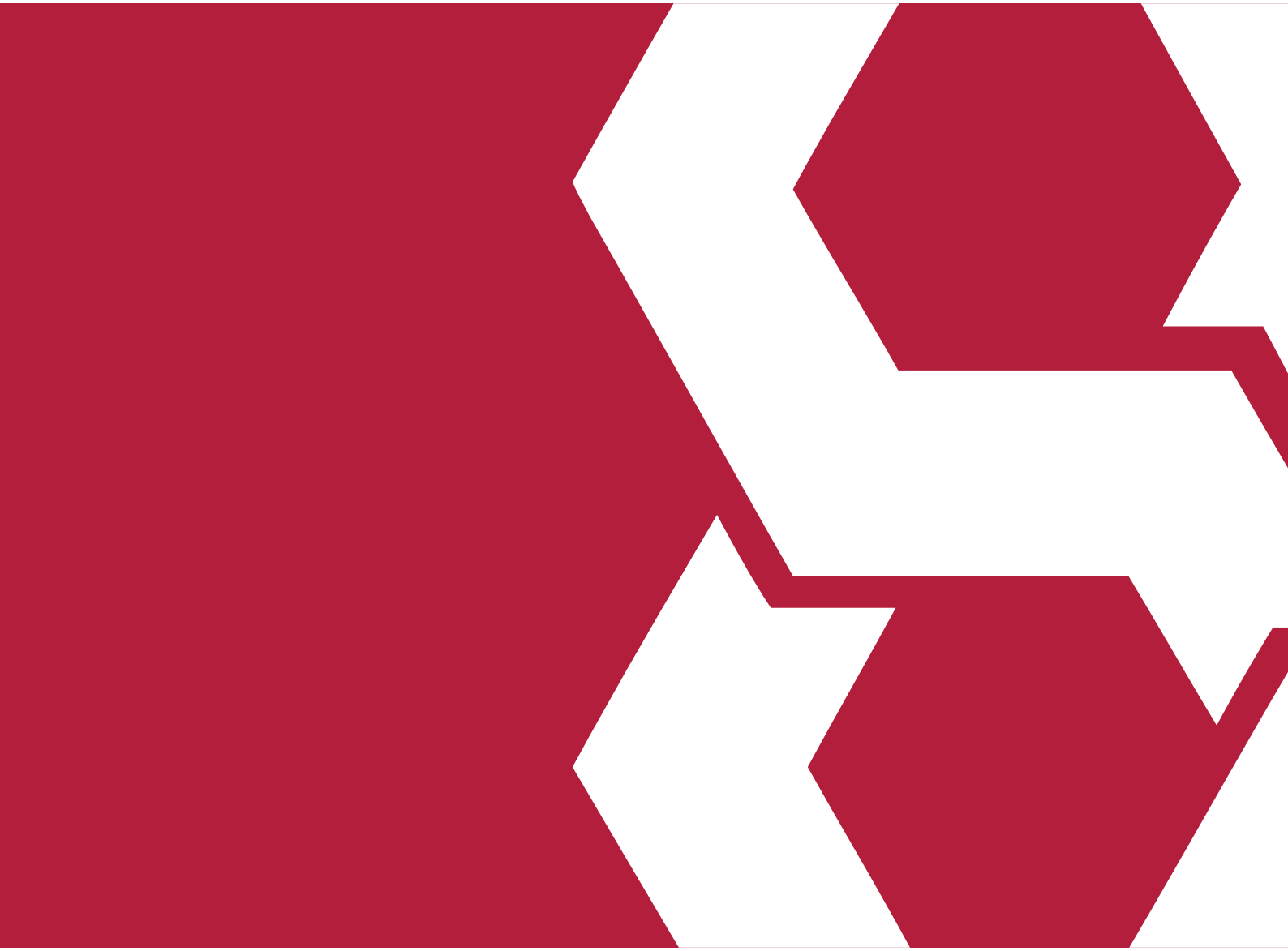

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