

## Report of the Due Process Oversight Committee (DPOC) meeting

*Delhi, 13 October 2016*

This was the first meeting of the DPOC to be open to the public and the recording of the meeting is available on the IFRS Foundation website<sup>1</sup>. The key issues discussed in the public session were as follows.

### 1. Update on technical activities

The DPOC received an update on technical activities, and a report on the due process activities for all projects on the current agenda of the International Accounting Standards Board ('the Board'). The DPOC discussed in particular the work on the Conceptual Framework, where it was noted that outreach to investors continues to be important and that the Board is seeking views on performance reporting and debt/equity presentation. The DPOC emphasised the importance of continuing outreach on these issues.

There was also discussion of then Board's recent decision not to support a draft interpretation developed by the IFRIC (on the interaction of IAS28 and IFRS9) but rather to take the issue onto the Board's agenda. It was noted that the Board's decision was in line with the process specified in the Due Process Handbook.

### 2. 2015 Agenda Consultation - summary of the Consultation Process

The DPOC received a presentation on the due process used for the 2015 Agenda Consultation and the way in which this met the requirements of the Due Process Handbook. The Committee noted the important outreach that had been undertaken with investors, and confirmed that the requirements of the Handbook had been met.

### 3. Effects Analysis

The DPOC received a presentation for information on the work being done to implement the recommendations of the Effects Analysis Consultative Group. They noted in particular the work underway on leases, and the staff undertook to make a further presentation at a future meeting on the Effects Analysis on the Insurance Contracts project. On this issue, the Committee briefly discussed the challenges of assessing the effects of the standard on wide range of insurance products around the world. They also discussed the challenges of assessing the macroeconomic consequences of applying the expected loss model under IFRS9, and the need to address this in the Post Implementation Review of the standard.

### 4. Strategic Work Plan 2016: benchmarking

The DPOC discussed a paper that set out work done to benchmark the Foundation's due process against a range of comparable national and international standard setters. It was noted that in almost all areas the Foundation followed best practice, and that the work would form a valuable underpinning for the planned work on key performance indicators.

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#### 5. Consultative Groups – Annual Review and DPOC Engagement

The DPOC received a presentation on the annual review of Consultative Groups that is required by the Due Process Handbook. This was discussed and the plans to disband two Consultative Groups (the Valuation Experts Group and the Insurance Working Group) were noted. It was agreed that the review had been conducted in accordance with the Handbook requirements.

#### 6. Reporting Protocol – annual report on general due process matters

The DPOC discussed the annual review and noted in particular the procedures to ensure that all comment letters were recorded and considered had been enhanced.

#### 7. IFRS Education Initiative Due Process report

The DPOC reviewed a report, in accordance with the requirements of the Due Process Handbook, on the material that the IFRS Education Initiative has developed, or is developing, in 2016, and the level of review undertaken in each case. It was agreed that the approach was consistent with the Handbook requirements.

#### 8. Correspondence review

It was noted that no correspondence had been received that required the DPOC's attention since the last DPOC meeting on 25 May 2016.