

# IFRS/DPH/ED/2024 Proposed Amendments to the IFRS Foundation Due Process Handbook

Exposure draft issued by the IFRS Foundation in December 2024

Comments from ACCA  
28 March 2025  
Ref: TECH-CDR-2222

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Founded in 1904 to widen access to the accountancy profession, we've long championed inclusion and today proudly support a diverse community of over **252,500** members and **526,000** future members in **180** countries.

Our forward-looking qualifications, continuous learning and insights are respected and valued by employers in every sector. They equip individuals with the business and finance expertise and ethical judgment to create, protect, and report the sustainable value delivered by organisations and economies.

Guided by our purpose and values, our vision is to develop the accountancy profession the world needs. Partnering with policymakers, standard setters, the donor community, educators and other accountancy bodies, we're strengthening and building a profession that drives a sustainable future for all. Find out more at: [www.accaglobal.com](http://www.accaglobal.com)

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**THINK AHEAD**

## GENERAL COMMENTS

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ACCA welcomes the opportunity to provide views in response to the IFRS Foundation's exposure draft (ED) on proposed amendments to the IFRS Foundation Due Process Handbook.

We appreciate the efforts that have gone into this project, and provide our comments on areas which we consider most important or where we have perspectives to add. We hope that our comments, which include feedback from our ACCA Global Forum for Corporate Reporting, are a helpful contribution to this process.

ACCA has consistently advocated for a global approach to the development of principles-based reporting standards which provide a high-quality comprehensive baseline for corporate reporting. To this end, we reiterate<sup>1</sup> that it is crucial to, as far as possible, leverage and build on existing requirements or other materials from other standard-setting/similar bodies, with the resulting proposed requirements being subject to the relevant applicable IFRS Foundation's due process. We believe that this proposed change will facilitate greater alignment of best practices, interoperability and connectivity of information, leading to high-quality decision-useful information and reduced reporting burden.

As standard-setting progresses, it is important to ensure that the reporting catalyses the necessary systemic change: that operational changes take place in the entities making these disclosures; better quality of information becomes available to investors, who will then use these disclosures to allocate capital more efficiently and responsibly. We believe that for this to happen, widespread application of [integrated thinking by entities](#)<sup>2</sup> as well as [integrative thinking by finance professionals](#)<sup>3</sup> are necessary, where [information connections](#) lead to quality decision-making and sustainable value creation<sup>4</sup>.

Further, we believe that the ISSB is best placed to lead development of supplementary materials centrally to ensure greater interoperability and consistent application of the IFRS Sustainability Disclosure Standards across jurisdictions, leveraging the [ISSB Partnership Framework for Capacity Building](#) (Partnership Framework) as much as possible. As such, we would appreciate greater clarity on how the Partnership Framework interacts with the Handbook, as well as the ISSB's expectations of how stakeholders in the reporting ecosystem (including partners of the Partnership Framework) can work together in making best collaborative use of already-limited resources in the profession.

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<sup>1</sup> ACCA (2023), *ACCA's comment letter for ISSB Request for Information 2023 Consultation on Agenda Priorities*. Downloadable from <<https://www.accaglobal.com/gb/en/technical-activities/technical-resources-search/2023/september/acca-response-issb-agenda-priorities-2023.html>>, accessed 28 March 2025.

<sup>2</sup> ACCA (2021), *Invisible threads: Communicating integrated thinking*. Downloadable from <<https://www.accaglobal.com/gb/en/professional-insights/global-profession/Invisible-threads-communicating-integrated-think.html>>, accessed 28 March 2025.

<sup>3</sup> ACCA (2023), *Integrative thinking: The guide to becoming a value-adding CFO*. Downloadable from <<https://www.accaglobal.com/gb/en/professional-insights/global-profession/integrative-thinking.html>>, accessed 28 March 2025.

<sup>4</sup> ACCA (2024), 'Making information connections for sustainable value creation' [website article] <<https://www.accaglobal.com/gb/en/professional-insights/global-profession/sustainability-reporting/making-connections-for-decision-making-and-sustainable-value-creation.html>>, accessed 28 March 2025.

## RESPONSES TO SPECIFIC QUESTIONS RAISED

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### Question 1—Reflecting the creation of the ISSB in the Handbook

Do you agree with how the DPOC proposes to reflect the creation of, and the due process for, the ISSB in the Handbook?

We generally agree with the proposed amendments to reflect the creation of, and the due process for, the ISSB in the Handbook. In particular, we support the proposals for the IASB and the ISSB to work together to develop complementary sets of standards. We are also supportive of incorporating in the Handbook by way of Annex B, the due process for the SASB Standards and SASB Standards Taxonomy, and for amendments to the SASB Standards to follow the same due process as amendments to the ISSB Standards.

In reflecting connectivity, we believe that global standard-setters such as the IASB and the ISSB have an essential role in setting the tone from the beginning for an overarching emphasis on connectivity and coherence in the reporting process<sup>5</sup>. Accordingly, there needs to be more ongoing, conscious efforts to connect the work of the boards as much as possible, beyond considering opportunities for connections and avoiding inconsistencies and conflicts, in order to achieve better connectivity in reporting. This in turn will help address potential gaps in information while minimising the risk of disclosure overload from duplication of information.

### Question 2—Enhancements and clarifications

Do you agree with the proposed enhancements and clarifications to the Handbook?

We generally agree with the proposed enhancements and clarifications, however, we wish to highlight certain key concerns and perspectives as below.

#### **Inclusive standard-setting**

We commend the clear requirements set out in the IFRS Foundation's Handbook and Constitution for the IFRS Advisory Council, the IASB and the ISSB to each maintain memberships with diverse geographical and functional backgrounds which reflect the purpose for which they are formed and an appropriate balance of perspectives, including geographical balance, and that this extends to the consultative groups.

However, we believe that the membership composition should strive as far as possible to also include greater representation from jurisdictions with differing economic and standard-setting maturity levels. A forward-looking approach which inclusively considers the impact of new and/or amended reporting requirements alongside regional and economic differences will better address challenges in implementation and improve proportionality and scalability efforts. This will help ease and encourage adoption by jurisdictional regulators and/or standard-setters while minimising the need for jurisdictional modifications.

#### **Post-implementation reviews (PIR)**

We welcome the proposal for a PIR to assess, through an effects analysis, whether the effects of applying the requirements of a new Standard or major amendment to a Standard are as intended when the new requirements were developed. However, better clarity on the basis for evaluating

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<sup>5</sup> ACCA (2024), *Principles of good corporate reporting*. Downloadable from <https://www.accaglobal.com/gb/en/professional-insights/global-profession/good-corporate-reporting.html>, accessed 28 March 2025.

‘working as intended’ in the context of the new requirement would be helpful, particularly in view that the proposed paragraph 6.52(b) of the Handbook indicates that this is separate and different from a Standard’s objective.

Further, we are concerned with the proposed removal of a specified timeframe (currently after two years of application) to begin a PIR, and the proposal for a PIR to start only when sufficient information is available to assess the effects of the new requirements.

Notwithstanding that the proposed paragraph 6.55 of the Handbook explains that information availability would be balanced with the need to conduct a PIR within a reasonable period, we recommend setting a fixed timeframe for a PIR to be conducted to ensure that they are conducted in a timely manner and are not inadvertently overlooked. Having a clear timeframe also provides certainty which facilitates policy, resource and other planning by policymakers, regional and jurisdictional standard-setters, preparers and users of general purpose financial reports.

#### **Minor improvements to IFRS Standards (previously ‘annual improvements’)**

We have no objection to the proposed change in name to ‘packages of minor improvements’.

We are supportive of the proposal for these packages to include minor or narrow-scope amendments that updates a requirement or updates material accompanying an IFRS Standard where such amendments are consistent with existing principles within the applicable Standard. For example, using these packages to update a metric included in industry-based requirements in the IFRS Sustainability Disclosure Standards. Including such amendments in this package would enable more efficient standard-setting by not requiring a separate consultation process while ensuring that a robust due process is still adhered to. We anticipate that this change will better support and facilitate agility and timeliness in evolving the Standards at pace with sustainability and other rapid market developments.

Our support for this proposed amendment hinges upon adhering to the proposed paragraph 6.13 of the Handbook: that ‘an amendment in a package of minor improvements cannot propose a new principle or change an existing principle’, and that ‘any amendment to material accompanying a Standard cannot create a new requirement or change an existing requirement in a Standard’. In line with this, we welcome the explicit mention of excluding from the minor improvements package any amendment that merits separate consultation and outreach.

#### **Material to support application of IFRS Standards (previously ‘education material’)**

We support the proposed change in name from ‘education material’ which can cause confusion, as has been acknowledged in the exposure draft.

We also note the different levels of review required to meet the IFRS Foundation’s quality assurance needs which reflect the material’s nature, complexity and expected audience, and understand the need for distinction between ‘materials developed with third parties’ and ‘materials prepared by third parties’. When considering the expected audience, we recommend evaluating the purpose of the material produced which may necessitate the use of less technical language and use cross-referencing rather than verbatim extracts from the Standards. This would help ensure that the level and type of review enhances how ‘fit for purpose’ the material is.

Further, as previously highlighted<sup>6</sup>, we believe that the ISSB is best placed to lead development of supplementary materials centrally to ensure greater interoperability and consistent application of the IFRS Sustainability Disclosure Standards across jurisdiction, leveraging the [ISSB Partnership Framework for Capacity Building](#) (Partnership Framework) as much as possible. As such, we are of the view that more clarity is needed on:

- how the Partnership Framework interacts with the Handbook, including where and how the work of partners to the Partnership Framework conducted in the public interest fits into the due process and connects to the wider IFRS Foundation strategic intention, and how this is distinguished from ‘materials developed with third parties’ and ‘materials prepared by third parties’.
- the ISSB’s expectations of how stakeholders in the reporting ecosystem (including partners of the Partnership Framework) can work together. Of particular help would be early information sharing on the type of education resources needed, and clarity into collaborative opportunities and stakeholders’ needs to maximise effective and efficient overall use of resources as a profession. This can help manage and address disproportionate saturation of guidance in select and often overlapping areas, while making best collaborative use of already-limited resources in the profession.

#### **Use of surveys for formal public consultations**

We welcome the use of technology, such as for the collection of feedback through surveys, to increase efficiency with which a board can gather and analyse feedback. However, we caution that such surveys should only supplement, and not replace, comment letters as the latter provide a better avenue for explanation of rationale. We are also mindful that providing feedback through the use of surveys often have limitations, such as relating to formatting, number of characters, and saving of progress (ie the ability to pause and then resume working on the draft response later without losing any content).

#### **Building on work of other bodies when developing proposed requirements**

ACCA has consistently advocated for a global approach to the development of principles-based reporting standards which provide a high-quality comprehensive baseline for corporate reporting.

To this end, we welcome the proposed paragraph 6.6 of the Handbook. We believe the requirement in this paragraph will facilitate greater alignment of best practices, interoperability and connectivity of information, leading to high-quality decision-useful information and reduced reporting burden. This is consistent with our call to leverage and build on existing requirements or other materials from other standard-setting/similar bodies, with the resulting proposed requirements being subject to the relevant applicable IFRS Foundation’s due process.<sup>6</sup>

#### **Re-exposure criteria**

We support the proposed removal of the requirement for more weight to be given to changes in recognition and measurement than disclosure when considering whether re-exposure is necessary.

In addition to the rationale given that the ISSB develops only disclosure requirements and the IASB has projects addressing only presentation and disclosure, we anticipate that this change will help prevent a situation where a significant amendment relating to presentation and disclosure requirements was not re-exposed.

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<sup>6</sup> ACCA (2023), *ACCA’s comment letter for ISSB Request for Information 2023 Consultation on Agenda Priorities*. Downloadable from <<https://www.accaglobal.com/gb/en/technical-activities/technical-resources-search/2023/september/acca-response-issb-agenda-priorities-2023.html>>, accessed 28 March 2025.

For example, we note from paragraph 26(b) of the [September 2019 IASB staff paper on Classification of Liabilities a Current or Non-current](#) that one of the reasons that the final amendments were concluded as not requiring re-exposure was due to the clarifications affecting only presentation requirements. However, this went on to require further standard-setting involving extensive outreach and engagement through the *Non-current Liabilities with Covenants (Amendments to IAS 1)* project.