

July 26, 2019

Mr. Hans Hoogervorst, Chairman  
International Accounting Standards Board  
Columbus Building, 7 Westferry Circus, Canary Wharf  
London E14 4HD  
United Kingdom

Dear Mr. Hoogervorst,

**Exposure Draft ED/2019/4 Proposed amendments to the IFRS Foundation Due Process Handbook**

The Financial Accounting Issues Task Force of the Taiwan Financial Reporting Standards Committee (TFRSC) of Accounting Research and Development Foundation in Taiwan appreciates the opportunity to respond to the above exposure draft.

The attachments (Attachment 1) are our comments to this exposure draft. The comments are those of the Financial Accounting Issues Task Force and do not necessarily represent official opinions of the TFRSC.

If you have any question about our comments, please contact me (via my email: [ccliu@management.ntu.edu.tw](mailto:ccliu@management.ntu.edu.tw)) or Ms. Margaret Tsui (via her email: [margaret@ardf.org.tw](mailto:margaret@ardf.org.tw)).

Sincerely Yours,



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Chi-Chun Liu, Ph.D.  
Chairman,  
Taiwan Financial Reporting Standards Committee,  
Accounting Research and Development Foundation, Taiwan

**Attachment 1**

**Exposure Draft ED/2019/4 Proposed amendments to the IFRS Foundation Due Process Handbook**

# **Proposed amendments to the IFRS Foundation Due Process Handbook**

**Question 2 – Agenda decisions**

The DPOC has proposed the following amendments relating to agenda decisions:

- to provide the Board with the ability to publish agenda decisions;
- to better explain the objective and nature of explanatory material in an agenda decision; and
- to reflect in the Handbook that an entity should be entitled to sufficient time both to determine whether to make an accounting policy change as a result of an agenda decision, and to implement any such change.

Do you agree with these proposed amendments?

**Response to the above Question:**

We agree with the proposed amendments to clarify the role and status of agenda decisions as well as the objective and nature of the explanatory material in an agenda decision since we believe it facilitates the consistent application of the IFRS Standards. However, we are concerned that some of the IFRS Standards have been replaced by new IFRS Standards or amended and therefore the explanatory material which refers to those replaced or deleted IFRS requirements in the agenda decisions could become not applicable anymore. As described in paragraph 8.4 of the exposure draft, the explanatory material ‘should be seen as helpful, informative and persuasive’. Therefore, we suggest that the published agenda decisions should be reviewed (and updated if necessary) by the IASB when it issues new or amended IFRS Standards to ensure that they are still seen as ‘helpful, informative and persuasive’. Besides, for the same reason, we also suggest that the IASB review (and update if necessary) the published agenda decisions which refer to the replaced or deleted IFRS requirements, such as those refer to the requirements of IAS17 (which has been replaced by IFRS16), within a short time.

We basically express our support to the proposed amendments stating that an entity would be entitled to sufficient time both to determine whether to make an accounting policy change as

## **Attachment 1**

### **Exposure Draft ED/2019/4 Proposed amendments to the IFRS Foundation Due Process Handbook**

a result of an agenda decision and to implement any such change. However, the notion of ‘sufficient time’ is not clear and may result in diverse practices. We noted that there is more detailed discussion about this issue and the Board’s intention in the speech ‘Feature: Agenda decisions–time is of the essence’ by Sue Lloyd, Vice-Chair of the IASB and Chair of the IFRS Interpretations Committee, which may be quite helpful for entities to interpret the so-called ‘sufficient time’. Therefore, we suggest that adding interpretative guidance for determining ‘sufficient time’ in the proposed amendments.