



UK ENDORSEMENT BOARD REGULATORY STRATEGY 2024/25

Issued 25 January 2024

ICAEW welcomes the opportunity to comment on the UK Endorsement Board Regulatory Strategy 2024/25 published by UKEB on 15 December 2023, a copy of which is available from this [link](#).

We are supportive of the UK Endorsement Board (UKEB) and its overall approach to delivering against its statutory functions. We have some comments on the proposed strategy and workplan, which are set out below.

For questions on this response please contact the Corporate Reporting Faculty at crf@icaew.com quoting REP 13/24.

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ICAEW

Chartered Accountants' Hall Moorgate Place London EC2R 6EA UK
icaew.com

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Registered office: Chartered Accountants' Hall Moorgate Place London EC2R 6EA UK

ANSWERS TO SPECIFIC QUESTIONS

Question 1: Do you have any comments on the UKEB's proposed workplan, as set out in the 2024/25 (Draft) Regulatory Strategy? Please provide your rationale and any supporting comments, as necessary.

1. We are supportive of the UK Endorsement Board (UKEB) and its overall approach to delivering against its statutory functions. We appreciate the achievements that have been made in the financial year 2023/24 (23/24), such as four narrow scope amendments to IFRS, the publication of three comment letters to the IASB and the publication of two research reports on the connectivity between accounting and sustainability disclosures in corporate reports. We do, however, have some comments of detail on the proposed strategy and workplan for the financial year 2024/25 (24/25), which are discussed below.

Adoption projects and other IASB-related projects

2. The section of the UKEB's workplan dealing with adoption projects and other IASB-related projects appears comprehensive but envisages fewer projects than the equivalent workplan for 23/24, with a number of projects deferred. We note the resource constraints that the UKEB refer to and, given this, agree with the need to prioritise and be realistic about what can be achieved within the next 12 months.
3. We note that one of the adoption projects in the expected workplan is the new IASB standard, *Subsidiaries without public accountability: Disclosures*. We are pleased that the UKEB has this project on its workplan as, despite the availability of FRS 101 *Reduced Disclosure Framework* for qualifying UK entities, we think the new standard will appeal to some UK groups operating internationally as well as foreign groups with UK subsidiaries. Given the additional complexity related to the presence of FRS 101 in the UK and the potential interaction of the new standard with the Companies Act, we think the UKEB should reconsider the expected workload for this project. We encourage the UKEB to upgrade the project from 'moderate' to 'significant' workload. We also recommend the UKEB considers the timing and urgency of this project as, although the planned effective date of this standard is 1 January 2027, many UK companies may wish to early adopt given the proportionality benefits it offers.
4. It is pleasing to note that many of the suggestions ICAEW put forward in its response to the 23/24 proposed workplan appear to have been incorporated into the 24/25 workplan. This includes the inclusion of useful detail regarding the stage of each project, with expected timings of the issuance of standards, amendments and exposure drafts, as well as the introduction of new, more distinct categories of adoption project such as "Influencing projects converting to adoption projects".
5. Although we are pleased to see that the UKEB continues to undertake projects in relation to the sustainability standards currently being developed by the ISSB, we would suggest that consideration be given to more explicit definition of those projects classed as "Connectivity (IASB)". It may not be clear to all stakeholders that these projects relate to the UKEB's activities relating to the connectivity between accounting and sustainability standards.
6. As included previously, the draft Regulatory Strategy document helpfully indicates the expected workload that each envisioned project involves - this enables readers to understand which projects are seen as priorities over the next twelve months. We do observe, however, that a number of projects that were assigned a particular category of expected workload – being significant, moderate or limited scope – in the 23/24 workplan have a different expected workload in the 24/25 workplan. For instance, it was anticipated in the 23/24 workplan that the PIR IFRS 9 Hedge accounting project would have a "significant" workload. It is now anticipated to have a "limited scope" workload in the 24/25 workplan. We

would encourage that further clarity be included in relation to what is meant by each of these three classifications – particularly in relation to the category of “limited scope” and that and changes to the expected workload year-on-year be identified and expanded upon.

UKEB research projects

7. We appreciate that, this year, the UKEB welcomes suggestions from its respondents as to additional research topics to be considered in its 24/25 workplan. This is a clear and welcome demonstration of the store the UKEB sets by the views of the stakeholders it consults. ICAEW has set out its own suggestions within our answer to Question 2 below.

Deferred projects

8. We appreciate the inclusion of a schedule of deferred projects which details projects that are included on the IASB and ISSB’s workplan but which cannot be taken forward by the UKEB in the 24/25 financial year due to resource and funding constraints.
9. We note that the project on IFRS 17 Insurance Contracts has been deferred. ICAEW acknowledges that 2023 was the first year of this standard being adopted and other interested parties (such as the FRC) are likely to produce papers detailing their initial reflections on first-time implementation in the coming year. It is important that the UKEB keeps abreast of any views (and, crucially, any deficiencies identified) emerging from these reflections. It may therefore be prudent to undertake some limited monitoring activity in relation to this standard. We would also remind the UKEB to consider the interactions between IFRS 9 Financial Instruments and IFRS 17 given that the adopters of IFRS 17 deferred implementation of IFRS 9.

Question 2: Do you have any suggestions in respect of item 17 of the workplan i.e. additional research topics to be considered? Please provide your rationale and any supporting comments, as necessary.

10. As part of ICAEW’s joint Research Fellowship Programme with China’s Ministry of Finance, Dr Eugene Wu, Associate Professor at the Harbin Institute of Technology in Shenzhen, is currently finalising a research project *Data as a new emerging intangible asset – how can accounting standards face this challenge?* We would be happy to share this report with you in due course as it may provide useful input into the UKEB’s ongoing intangibles research as detailed under item 16 of the workplan.
11. Additionally, we encourage the UKEB to closely monitor any outcomes from the recently published Tentative Agenda Decision on Climate-related Commitments (IAS 37) to see if this might usefully lead to any potential research areas, particularly in the context of its work on connectivity under item 15 of the workplan.

Question 3: Do you have any other comments on the UKEB’s 2024/25 (Draft) Regulatory Strategy?

12. We do not have any further comments to make.