



# DRAFT ENDORSEMENT ASSESSMENT CRITERIA: AMENDMENTS TO IFRS 9 AND IFRS 7 - AMENDMENTS TO THE CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

Issued 20 December 2024

ICAEW welcomes the opportunity to comment on the Draft Endorsement Assessment Criteria: *Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments* published by UK Endorsement Board on 26 September 2024, a copy of which is available from this [link](#).

ICAEW agrees that the amendments meet the statutory endorsement criteria and supports the endorsement of the IASB's amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosure* regarding the classification and measurement of financial instruments for use in the UK.

This response of 20 December 2024 has been prepared by the ICAEW Corporate Reporting Faculty. Recognised internationally as a leading authority on corporate reporting, the faculty, through its Financial and Non-Financial Reporting Committees, is responsible for formulating ICAEW policy on financial and non-financial reporting issues and makes submissions to standard setters and other external bodies on behalf of ICAEW. The faculty provides an extensive range of services to its members including providing practical assistance with common corporate reporting problems.

ICAEW is a world-leading professional body established under a Royal Charter to serve the public interest. In pursuit of its vision of a world of sustainable economies, ICAEW works with governments, regulators and businesses and it leads, connects, supports and regulates more than 169,000 chartered accountant members in over 146 countries. ICAEW members work in all types of private and public organisations, including public practice firms, and are trained to provide clarity and rigour and apply the highest professional, technical and ethical standards.

© ICAEW 2024

All rights reserved.

This document may be reproduced without specific permission, in whole or part, free of charge and in any format or medium, subject to the conditions that:

- it is appropriately attributed, replicated accurately and is not used in a misleading context;
- the source of the extract or document is acknowledged and the title and ICAEW reference number are quoted.

Where third-party copyright material has been identified application for permission must be made to the copyright holder.

For more information, please contact: [crf@icaew.com](mailto:crf@icaew.com)

---

## ICAEW

Chartered Accountants' Hall Moorgate Place London EC2R 6EA UK  
[icaew.com](http://icaew.com)

The Institute of Chartered Accountants in England and Wales (ICAEW) incorporated by Royal Charter (RC000246)  
Registered office: Chartered Accountants' Hall Moorgate Place London EC2R 6EA UK

## KEY POINTS

1. ICAEW supports the UK endorsement of the IASB's amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosure* regarding the classification and measurement of financial instruments issued in May 2024.
2. This response of 20 December 2024, included in the appendix below, has been prepared on behalf of ICAEW by the Corporate Reporting Faculty.

## APPENDIX – DETAILED RESPONSE

# Invitation to Comment

## Call for comments on Draft Endorsement Criteria Assessment of *Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments*.

**Deadline for completion of this Invitation to Comment:**

**Close of business, 10 January 2025**

**Please submit to:**

**[UKEndorsementBoard@endorsement-board.uk](mailto:UKEndorsementBoard@endorsement-board.uk)**

## Introduction

The objective of this Invitation to Comment is to obtain input from stakeholders on the endorsement and adoption of *Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments* (the Amendments), published by the International Accounting Standards Board (IASB) in May 2024. The Amendments aim to clarify the requirements for the derecognition of financial liabilities, and for assessing the classification of financial assets, particularly those with contingent features. In addition, the amendments introduce a limited number of additional disclosure requirements. The Amendments aim to address diversity in practice and improve the usefulness of the information provided to the investors. The Amendments will be effective for annual periods beginning on or after 1 January 2026. Earlier application is permitted. The information collected from this Invitation to Comment is intended to help with the endorsement assessment.

## UK endorsement and adoption process

The requirements for UK adoption are set out in Statutory Instrument 2019/685<sup>1</sup>.

The powers to formally adopt international accounting standards for use in the UK were delegated to the UK Endorsement Board in May 2021<sup>2</sup>.

<sup>1</sup> The International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019: <https://www.legislation.gov.uk/ukSI/2019/685/made>

<sup>2</sup> The International Accounting Standards (Delegation of Functions) (EU Exit) Regulations 2021: <https://www.legislation.gov.uk/ukSI/2021/609/contents/made>

## Who should respond to this Invitation to Comment?

Stakeholders with an interest in the quality of accounts prepared in accordance with IFRS Accounting Standards.

## How to respond to this Invitation to Comment

Please download this document, answer any questions on which you would like to provide views, and return it to [UKEndorsementBoard@endorsement-board.uk](mailto:UKEndorsementBoard@endorsement-board.uk) by close of business on 10 January 2025.

**Brief responses to individual questions are welcome, as well as comprehensive responses to all questions.**

## Privacy and other policies

The data collected through submitting this document will be stored and processed by the UKEB. By submitting this document, you consent to the UKEB processing your data for the purposes of influencing the development of and adopting IFRS for use in the UK. For further information, please see our Privacy Statements and Notices and other Policies (e.g. Consultation Responses Policy and Data Protection Policy)<sup>3</sup>.

The UKEB's policy is to publish on its website all responses to formal consultations issued by the UKEB unless the respondent explicitly requests otherwise. A standard confidentiality statement in an e-mail message will not be regarded as a request for non-disclosure. If you do not wish your signature to be published, please provide the UKEB with an unsigned version of your submission. The UKEB prefers to publish responses that do not include a personal signature. Other than the name of the organisation/individual responding, information contained in the "Your Details" document will not be published. The UKEB does not edit personal information (such as telephone numbers, postal or e-mail addresses) from any other response document submitted; therefore, only information that you wish to be published should be submitted in such responses.

<sup>3</sup> These policies can be accessed from the footer in the UKEB website here: <https://www.endorsement-board.uk>

## Assessment against endorsement criteria

UKEB's draft assessment [tentatively] concludes that:

- i. the Amendments meet the criteria of relevance, reliability, understandability and comparability required of the financial information needed for making economic decisions and assessing the stewardship of management, as required by SI 2019/685 (see Regulation 7(1)(c));
- ii. application of the Amendments is not contrary to the principle that an entity's accounts must give a true and fair view as required by SI 2019/685 (see Regulation 7(1)(a)); and
- iii. that the Amendments are likely to be conducive to the long term public good in the UK as required by SI 2019/685 (see Regulation 7(1)(b)), having considered:
  - whether they will generally improve the quality of financial reporting;
  - the costs and benefits that are likely to result from their use; and
  - whether they are likely to have an adverse effect on the economy of the UK, including on economic growth.

UKEB's assessment of the Amendments is set out in **Section 2** of the DECA.

## Questions

### Technical accounting criteria assessment

1. Do you agree with the draft assessment of the Amendments against the technical accounting criteria? (please select one option)

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
-----	-------------------------------------	----	--------------------------

2. Please include any comments you may have in response to question 1:

No comments
-------------

### True and fair view

3. Do you agree with the draft assessment that the Amendments **are not contrary to the true and fair view requirement**? (please select one option)

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
-----	-------------------------------------	----	--------------------------

4. Please include any comments you may have in response to question 3:

No comments
-------------

### UK long term public good

5. Do you agree with the initial overall assessment of **costs and benefits** likely to arise from the Amendments? (please select one option)

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
-----	-------------------------------------	----	--------------------------

6. Please include any comments you may have in response to question 5 including, if applicable, any indicative cost estimate or if any costs or benefits have been omitted from the analysis:

No comments
-------------

7. If you provided an indicative cost estimate in Question 6, can you please provide an approximate breakdown by amendment:

Amendments to IFRS 9 – Recognition and derecognition

Amendments to IFRS 9 – Classification of financial assets.

Amendments to IFRS 7: Disclosure.

Not applicable

8. Do you agree with the draft assessment that the Amendments are likely to be conducive to the **long term public good in the UK**? (please select one option)

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
-----	-------------------------------------	----	--------------------------

9. Please include any comments you may have in response to question 8:

No comments

10. Do you have **any other comments** you would like to add?

No further comments

**Thank you for completing this Invitation to Comment**

**Please submit this document**

**by close of business on 10 January 2025 to:**

**[UKEndorsementBoard@endorsement-board.uk](mailto:UKEndorsementBoard@endorsement-board.uk)**