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29 July 2019

Dear Sir / Madam,

### **AFME comments as part of the review of the IFRS Foundation Due Process Handbook**

The Association for Financial Markets in Europe (AFME) would like to take the opportunity to provide its comments as part of the current review of the IFRS Foundation Due Process Handbook (Handbook) and in the context of proposed amendments outlined in the **Exposure Draft - Proposed amendments to the IFRS Foundation Due Process Handbook (“ED”)** issued by the International Accounting Standards Board’s (IASB or the Board).

AFME welcomes the Board’s initiative to review the Handbook to ensure that it remains fit for purpose as a result of developments in the Board’s and Committee’s processes and continues to reflect best practice. We would especially welcome amendments aimed at overall streamlining of standard-setting processes. As such, we are in favour of the proposed amendments regarding the consultation that must be undertaken before the Board adds a new project to its work plan. We understand that, as currently operating, the Board must consult before moving a project from its research programme to its standard-setting programme, even if that research project was added to its work plan in the previous agenda consultation. In our view, this requirement creates inefficiencies by potentially duplicating consultation requirements for the same matters. We therefore support the proposed amendment as per paragraph 32 (b) of the ED, noting that the Board would not be required to consult the Advisory Council and ASAF when it moves a project from the research programme to the standard-setting programme, if a project was specifically contemplated in the most recent agenda consultation.

Furthermore, although the point is not covered in the ED, AFME urges the IASB to consider developing a separate process or protocol, or streamlining its existing processes in a way that would allow the Board to prioritise and promptly address emerging critical and urgent matters. Such matters can arise due to changes in the regulatory and/or legislative environment and generally require a swift and effective response because of their wide-ranging and impactful nature. A current example of such an issue would be the ongoing IBOR reform, where the IFRS amendments dealing with some of the most prominent issues are still to be issued by the Board. There have been other examples in the past, such as the narrow-scope amendments to IAS 39/IFRS 9 - *Novation of OTC derivatives and continuing designation for hedge accounting* which had to be made to react to the adoption of the European Market Infrastructure Regulation. AFME would be pleased to contribute to the development of such a process or protocol in due course and remains at your disposal for any clarification in relation to the content of this letter.

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Yours faithfully,

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### **About AFME**

AFME (Association for Financial Markets in Europe) advocates for deep and integrated European capital markets which serve the needs of companies and investors, supporting economic growth and benefiting society. AFME is the voice of all Europe's wholesale financial markets, providing expertise across a broad range of regulatory and capital markets issues. AFME aims to act as a bridge between market participants and policy makers across Europe, drawing on its strong and long-standing relationships, its technical knowledge and fact-based work. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. AFME participates in a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) through the GFMA (Global Financial Markets Association). For more information please visit the AFME website: [www.afme.eu](http://www.afme.eu).