



AcSB Standard-setting Due Process Manual

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Introduction

1. This document sets out the due process that the Canadian Accounting Standards Board (AcSB) follows in setting financial reporting standards. It guides the AcSB staff on performing the required due process activities, and informs the public on how the Board sets standards and how they can participate in the process.
2. The AcSB is an independent body with the authority to establish accounting standards for use by all Canadian entities outside the public sector. It is directly accountable to the Accounting Standards Oversight Council or its successor (Oversight Council) for its performance in fulfilling its mandate, including the adherence to due process. This Due Process Manual provides the Oversight Council with a basis for holding the Board accountable for the due process procedures that it follows in practice.

Standard-setting Due Process

3. The AcSB's due process is built on its [Terms of Reference](#) and [Statement of Operating Procedures](#), and is based on the following principles:
 - (a) transparency: conducting its standard-setting process in a transparent manner;
 - (b) consultation: considering the perspectives of those affected by Canadian financial reporting standards; and
 - (c) accountability: analyzing the potential effects of its proposals on affected parties and explaining the rationale for the Board's decisions when developing or changing a standard.
4. The AcSB determines the content of the CPA Canada Handbook – Accounting, applied by private sector entities that prepare financial statements in accordance with Canadian generally accepted accounting principles (GAAP). Canadian GAAP encompasses four separate frameworks:
 - (a) IFRS[®] Accounting Standards — Part I of the CPA Canada Handbook – Accounting: Publicly accountable enterprises apply these standards. They may also be applied by private enterprises and not-for-profit organizations (NFPOs).
 - (b) Accounting Standards for Private Enterprises — Part II of the CPA Canada Handbook – Accounting: Private enterprises may apply these standards. They may also be applied by NFPOs when applying the Accounting Standards for Not-for-Profit Organizations.
 - (c) Accounting Standards for Not-for-Profit Organizations — Part III of the CPA Canada Handbook – Accounting: NFPOs may apply these standards.
 - (d) Accounting Standards for Pension Plans — Part IV of the CPA Canada Handbook – Accounting: Pension plans apply these standards.

5. For purposes of this document, the term “standard” includes all material included in the CPA Canada Handbook – Accounting, including IFRIC® Interpretations, which are included in Part I of the Handbook, and Accounting Guidelines, which are included in Part II of the Handbook.

Consultation and Communication

6. Consulting widely with interested and affected parties enhances the quality of financial reporting standards. This is why consulting the public and gathering feedback on documents for comment is an integral part of due process. During the AcSB’s deliberations, feedback from interested and affected parties helps identify when additional effort is required.
7. The AcSB encourages communication with interested and affected parties by developing communication plans for public outreach. At every stage of its due process, the Board seeks information and views using various communication vehicles to maximize public input and transparency. The Board’s objective is to reach a wide target audience through communication platforms such as roundtables, public meetings, social media, surveys and written responses to public consultation documents.
8. The AcSB posts summaries of its decisions online after each meeting. The decision summaries inform the public in a timely manner of progress on projects and compliance with due process.

Advisory committees and working groups

9. Another key source of consultation is advisory committees and working groups, which provide input and advice to the AcSB on a variety of matters and contribute to developing standards.
10. The AcSB works through its advisory committees and working groups to plan its projects, giving the Board access to additional practical experience and expertise. These committees are an important part of its governance infrastructure, helping to maintain, develop and improve accounting standards. The advisory committees and working groups assist the Board by:
 - (a) giving advice and recommendations on standard-setting priorities and specific agenda projects; and
 - (b) providing input from representatives from different communities, such as academia, preparers, accounting practitioners and financial statement users.
11. Each advisory committee or working group has a terms of reference, setting out:
 - (a) the committee’s or group’s objectives;
 - (b) the AcSB’s expectations of the members; and
 - (c) the Board’s responsibilities to the committee or group.
12. Once work on a project starts, AcSB staff consults advisory committees and working groups when it is beneficial to the project to do so. The staff informs committee and group members about the project’s progress and reports the committee’s and group’s feedback to the Board.

Comments received from the public

13. Input and feedback are obtained from interested and affected parties and the public through various mechanisms including in-person and virtual roundtables, meetings, surveys, and comment letters, emails and other written feedback.
14. Comment letters play an important role in the AcSB's deliberation process because they provide public responses to a formal consultation. However, all feedback from respondents is considered equal regardless of the channel through which it is received. When considering comments received, the Board reviews the issues and related explanations that all respondents raise.
15. Feedback with strong analysis and supporting evidence is one of the bases for developing standard-setting options. The analysis of feedback may result in the AcSB doing additional outreach and analysis; for example, if the views of particular sectors are shared or divided. All comment letters that the Board receives are available on its webpage shortly after the comment deadline.

Translation

16. The AcSB issues all its consultation papers, exposure drafts and standards simultaneously in both English and French. The Board adopts and applies a policy for the translation of published materials to ensure accessibility of critical materials in both official languages of Canada.

Due Process Applicable to Both IFRS Accounting Standards and Domestic Standards

17. The AcSB's standard-setting due process begins with its strategic plan. This plan sets out its multi-year policy objectives and is established after extensive consultations with interested and affected parties, including being exposed for public comment.
18. The AcSB applies due process to both IFRS Accounting Standards and domestic standards. The level of effort required within the due process varies depending on the type of project. Some factors influencing the level of effort include:
 - (a) the extent and significance of proposed changes;
 - (b) the types of interested and affected parties involved (e.g., preparers and users);
 - (c) the extent of consultation required to build acceptance; and
 - (d) differing regional practices.
19. The AcSB carries out the following mandatory due process activities:
 - (a) deliberates proposals in a meeting, except for an International Accounting Standards Board (IASB) narrow-scope proposal or IASB annual improvements, provided all the AcSB members agree this is unnecessary due to the nature of the proposed change;
 - (b) exposes a draft of any proposed new standard or amendments to a standard for public comment;

- (c) provides an explanation of, and reasons for, key changes to existing standards and their expected effects in each exposure draft for domestic standards (IASB exposure drafts provide this information);
 - (d) conducts a consultation process and considers feedback received;
 - (e) considers whether to re-expose proposals related to domestic standards;
 - (f) publishes a basis for conclusions for final domestic standards;
 - (g) considers whether the IASB has appropriately followed its due process for new and amended IFRS Accounting Standards;
 - (h) publishes a summary of due process activities undertaken, which is issued as a separate document for IFRS Accounting Standards and is part of the basis for conclusions for domestic standards;
 - (i) exposes a draft of a new strategic plan for public comment;
 - (j) consults the Oversight Council on strategic and operating plans, the technical agenda and work priorities;
 - (k) provides information to the public that is transparent; and
 - (l) responds on a timely basis to the concerns raised by interested and affected parties.
20. The AcSB considers undertaking the following significant due process activities and explains its reasons to the Oversight Council if they are not carried out. The Board:
- (a) provides the minimum comment period for all documents issued for comment as set out in the relevant sections of this manual;
 - (b) conducts outreach in proportion to the topic through advisory committees and working groups, activities with interested and affected parties, and information sessions;
 - (c) re-exposes proposals for domestic standards when the proposals have been significantly changed after considering comments received on an exposure draft; and
 - (d) considers the need for a post-implementation review of a new domestic standard or major amendment to a domestic standard after it has been applied for two years.
21. The AcSB is directly accountable to the Oversight Council for its performance in fulfilling its mandate, including its adherence to due process in the conduct of its activities. At each Oversight Council meeting, the Board reports on its compliance with due process.

Due Process Specifically Related to IFRS Accounting Standards

22. The AcSB has a shared goal among global standard setters of high-quality accounting standards that result in comparable financial reporting outcomes.
23. Early in the process and throughout the life of IFRS Accounting Standards projects, including post-implementation reviews, the AcSB influences the development of IFRS Accounting

Standards. This is done by conducting research, raising awareness, providing opportunities for interested and affected parties to express their views, responding to documents for comment on the IASB's proposals and leveraging roundtables and other discussions. The Board maintains a strong global presence on the international stage to enhance Canada's influence.

24. The AcSB's [IFRS® Accounting Standards Discussion Group](#) advises the Board, helping it influence the development of IFRS Accounting Standards and support their application in Canada.
25. The IFRS® Interpretations Committee is the IASB's interpretative body working to support the application of IFRS Accounting Standards. The AcSB supports the IASB's interpretation activities through its [IFRS Interpretations Committee Member Support Group](#) and other advisory committees or groups to ensure that Canadian views are considered during the development of IFRS Accounting Standards and IFRIC Interpretations.

Endorsing IFRS Accounting Standards

26. Newly issued new or amended IFRS Accounting Standards are not part of Canadian GAAP until the AcSB has endorsed and incorporated them into Part I of the CPA Canada Handbook – Accounting. As a national standard setter, the Board has the authority to incorporate new or amended IFRS Accounting Standards into Canadian GAAP and does so only after performing its endorsement activities. The Board must apply its own processes before it comes to its own conclusions to endorse a new or amended IFRS Accounting Standard and incorporate it into the Handbook.
27. The IASB issues IFRS Accounting Standards according to its own rigorous due process. To be able to rely on the IASB's due process, the AcSB has put in place procedures to fulfill its responsibilities under its [Terms of Reference](#). Staff monitors the IASB's activities to ensure that the IASB is following its due process. For example, staff may read its meeting agenda papers, monitor its meeting discussions, review other project-related material on its website and discuss issues with IASB members and staff. Staff raises to the Board any potential areas of concern.
28. The AcSB performs additional procedures as follows:
 - (a) gains an understanding of the new or amended IFRS Accounting Standards;
 - (b) exposes the new or amended IFRS Accounting Standards for public comment;
 - (c) assesses whether there are indications that the IASB did not meet its due process requirements;
 - (d) assesses whether it did not meet its own due process requirements; and
 - (e) evaluates whether the IASB's proposals are appropriate for application in Canada based on feedback, including comment letters, from interested and affected parties.
29. The AcSB considers any concerns raised by interested and affected parties when endorsing and incorporating new and amended IFRS Accounting Standards into Canadian GAAP. In considering such concerns, the Board takes into account the perspectives of users, preparers, auditors of financial information, regulators and others.

30. After following its due process, the AcSB may decide, based on whether it is in the Canadian public interest, not to endorse a new or amended IFRS Accounting Standard, to modify it when endorsing and incorporating it into Canadian GAAP, or to amend or remove a previously endorsed IFRS Accounting Standard. This is expected to be rare. On issues of particular importance, the Board communicates with the Oversight Council.

Consulting on IASB documents in Canada

31. The AcSB generally responds to all of the IASB's documents for comment. In developing a new standard or making major amendments to a standard, the IASB normally issues a discussion paper to consult interested and affected parties and solicit their comments on the proposals. As part of its due process, the AcSB promotes awareness of IASB discussion papers in Canada, and consults interested and affected parties, and its advisory committees and working groups for input.
32. When the IASB has issued an exposure draft, the AcSB Chair approves a corresponding "wraparound" exposure draft issued as part of the Board's endorsement process. The wraparound exposure draft asks for input on whether the proposed new or amended IFRS Accounting Standard is appropriate for application in Canada. The Board reviews responses to its wraparound exposure draft and other feedback received to identify any unique Canadian circumstances that might justify a departure from a proposed new or amended IFRS Accounting Standard.

Balloting

33. When the AcSB is ready to endorse a new or amended IFRS Accounting Standard and incorporate it into the Handbook, staff prepares documents to help the Board:
 - (a) understand the new or amended IFRS Accounting Standard, including comments made by Canadians and the Board on the relevant IASB exposure draft and possible application challenges for Canadians;
 - (b) consider the feedback on whether the new or amended IFRS Accounting Standard is appropriate for application in Canada; and
 - (c) assess whether due process was followed.

A vote in meetings or a written ballot outside of meetings is required to approve all decisions related to incorporating new or amended IFRS Accounting Standards into Canadian GAAP.

34. Prior to a ballot draft, the AcSB may direct staff to prepare a pre-ballot draft for review. Further drafts may be required if new issues arise during the review. After considering the results of these reviews and making appropriate revisions, the staff prepares the ballot draft for voting for approval.
35. The ballot draft of a new or amended standard is ready for balloting after all outstanding issues are resolved and the AcSB agrees to proceed. A balloting package includes:
 - (a) a ballot form;

- (b) a memorandum summarizing major changes from the pre-ballot draft; or, when a pre-ballot draft has not been necessary, major changes from the most recent draft;
 - (c) a summary of the due process activities undertaken by the Board in endorsing the IFRS Accounting Standard or finalizing the standard; and
 - (d) a ballot draft, with marked-up changes from the preceding draft or a clean final draft.
36. AcSB members may vote in meetings on the questions set out in the ballot form or use the ballot form to record whether they assent to, or dissent from, the endorsement of a new or amended IFRS Accounting Standard in Canada, and whether they are satisfied that due process has been followed. The results of votes taken in AcSB meetings are documented in the minutes. Paragraphs 87-89 in the "[Dissensions](#)" section describe the process when a Board member dissents. The Board endorses a new or amended IFRS Accounting Standard into Canadian GAAP with an affirmative vote of two-thirds of all its members.

Procedures following endorsement and incorporation of an IFRS Accounting Standard into Canadian GAAP

37. The IASB issues a basis for conclusions for final IFRS Accounting Standards, amendments and IFRIC Interpretations. The AcSB issues a summary of its endorsement activities that:
- (a) discusses how the Board satisfied itself that the IASB followed its due process for a project;
 - (b) identifies the consultation and other due process activities it undertook to determine that the new or amended IFRS Accounting Standard is suitable for application in Canada; and
 - (c) incorporates the anonymous views of any dissenting Board member(s), as relevant.
- The AcSB may decide to issue a single document covering all new and amended IFRS Accounting Standards and IFRIC Interpretations incorporated into Canadian GAAP during a year.
38. The [IFRS Accounting Standards Discussion Group](#), which may advise the AcSB on proposed new and amended IFRS Accounting Standards, also helps to identify any implementation issues that the Board may recommend the IASB or the IFRS Interpretations Committee consider for interpretive or other action.
39. The AcSB also monitors IASB post-implementation reviews of IFRS Accounting Standards. The AcSB responds to IASB post-implementation review requests for information. As part of its due process, the AcSB promotes awareness of IASB post-implementation reviews in Canada, and seeks input from interested and affected parties, its advisory committees and working groups.
40. If the IASB issues editorial changes to previously issued IFRS Accounting Standards, the Director, Accounting Standards, informs the AcSB, which decides whether to discuss them at a Board meeting before incorporating the changes into Part I of the Handbook.

Due Process Specifically Related to Domestic Standards

41. The AcSB issues financial reporting standards for Canadian entities outside the public sector for private enterprises (Part II), NFPOs (Part III) and pension plans (Part IV). Domestic standards, Parts II-IV of the Handbook, are developed when the Board identifies an issue or a gap in financial reporting standards.
42. Depending on the complexity and extent of change required in developing a new or amended accounting standard, the AcSB categorizes the required level of change in domestic standard-setting projects as follows:
 - (a) New standards:

A new standard is developed:

 - (i) to fill a gap in the existing framework; or
 - (ii) when changes made to an existing standard are so significant that the existing standard is replaced.
 - (b) Major amendments:

Major amendments result in significant changes to accounting standards. A significant change would cause a major change in practice; for example, a suggestion to change a fundamental or pervasive part of a standard would generally be a major amendment.
 - (c) Narrow-scope amendments:

Narrow-scope amendments address concerns about a specific aspect of a standard that do not meet the criteria for annual improvements. These types of amendments would affect practice.
 - (d) Annual improvements:

The annual improvements process related to Parts II to IV corrects errors in the wording of standards and clarifies existing guidance. Correcting errors includes resolving conflicts between existing requirements in the standards, or addressing unintended consequences and oversights. The AcSB has adopted an annual process to identify and bundle together these amendments to reduce the number of individual changes to the standards.
 - (e) Accounting guidelines:

Accounting guidelines set out how the existing Sections in Parts II to IV should be applied in specific cases or address other application issues or topics of concern with respect to financial reporting.

The Board applies its judgment in considering the most appropriate approach to address the issues raised by interested and affected parties.

43. Due process procedures are applied to the different categories of domestic standard-setting projects and may be tailored depending on the type of change required. The various phases of the due process for domestic standard setting are set out below and described in subsequent paragraphs in further detail:
 - (a) setting the priorities;

- (b) publishing a consultation paper;
- (c) publishing an exposure draft;
- (d) finalizing a standard; and
- (e) conducting a post-implementation review.

Setting the priorities

- 44. The first step in developing a new financial reporting requirement is to identify, assess and define the problem within the existing reporting practice. As part of this process, consultation is required. The AcSB may consult with its advisory committees and working groups and other interested and affected parties, or issue surveys.
- 45. When setting priorities to address issues related to financial reporting and adding to its active agenda, the AcSB considers:
 - (a) relevance to the primary users of financial statements;
 - (b) existing guidance in the standards or other frameworks;
 - (c) possibility of developing other feasible approaches to address the issues;
 - (d) quality of the standard to be developed relative to the Financial Statement Concepts;
 - (e) constraints on its resources and those affected; and
 - (f) input from its advisory committees and working groups.

Project proposal

- 46. The AcSB reviews project proposals based on information gathered during the research phase and then makes formal decisions to move projects from research to its standard-setting work plan, deciding on their priority.
- 47. The AcSB evaluates the merits of a project to develop a new standard or amend an existing one based primarily on the needs of financial statement users, while taking into account the costs of preparing the information in financial statements. The Board also considers whether there are sufficient resources to undertake a project on its work plan, as well as available expertise. When deciding whether a project will address the needs of interested and affected parties, the Board also considers:
 - (a) whether improvements can be made in the way particular types of transactions or activities are reported in financial statements;
 - (b) the importance of the matter to financial statement users;
 - (c) the types of entities likely to be affected; and
 - (d) how pervasive or acute a particular financial reporting issue is likely to be for entities.

48. If the AcSB decides that some issues require additional research, such issues may be considered as research projects and stay within the research phase.
49. A project proposal highlights key project issues to be addressed. It outlines:
 - (a) the project scope;
 - (b) the type of project, whether a new standard or an amendment to a standard;
 - (c) associated research;
 - (d) potential benefits and costs;
 - (e) resource requirements for the project;
 - (f) evaluation of risks; and
 - (g) estimated timelines to meet project milestones.
50. The project proposal helps the AcSB decide whether it should add a project to its standard-setting work plan. It distinguishes between major and narrow-scope projects to clarify the project's scope and to reduce the risk of committing resources to a project when other projects should have a higher priority.
51. After considering the nature of the issues and the level of interest among interested and affected parties, the AcSB approves the project proposal and works through its advisory committees and working groups to execute on the project. It may establish a project-specific working group. Regular discussions are held with relevant advisory committees and/or working groups to ensure that the issues are thoroughly considered and well-informed recommendations are made to the Board.

Consultation paper

52. A consultation paper for domestic standards in Parts II-IV of the Handbook is not mandatory within the due process. However, one may be issued for a new standard or major amendment to seek comments from interested and affected parties. The AcSB might conclude that a consultation paper is not necessary because it has sufficient input from its research, including consultations with the appropriate advisory committees and working groups, and other relevant parties, to proceed directly to an exposure draft. Narrow-scope amendments and annual improvements proceed directly to an exposure draft.
53. A consultation paper:
 - (a) defines the issues and the scope of a project;
 - (b) identifies relevant financial accounting and reporting considerations;
 - (c) discusses research findings and relevant literature;
 - (d) includes alternative solutions to the issues being considered; and
 - (e) presents the arguments and implications relevant to each.

54. When the AcSB has completed its deliberations and all mandatory due process requirements, it votes to have staff prepare the ballot draft of a consultation paper for approval. The balloting process for domestic consultation papers is consistent with the process for IFRS Accounting Standards, as described in [paragraphs 35-36](#). The Board approves publishing a consultation paper after an affirmative vote of two-thirds of all its members. Once approved, the consultation paper is open for a minimum 90-day comment period. When the comment period ends, staff analyzes and summarizes the feedback received. It might consult further with interested and affected parties to get more input. The Board reviews the analysis and summary to understand the feedback.

Exposure draft

55. Publishing an exposure draft is a mandatory step in the due process before issuing a new standard or amending an existing standard. An exposure draft is the AcSB's main mechanism for consulting interested and affected parties, and soliciting comments through roundtables, meetings, advisory committees and working groups, and written responses. It reflects specific proposals in the form of a proposed standard or amendment to a standard. An exposure draft also includes consequential amendments to other standards to maintain internal consistency of the complete set of standards. Insignificant changes to cross-references, terminology and other matters that are administrative in nature may be omitted from the exposure draft. The rationale behind the Board's decisions is included in a basis for conclusions that accompanies the exposure draft for new or amended standards.
56. When the AcSB has completed its deliberations and all mandatory due process requirements, it votes to have staff prepare the ballot draft of the exposure draft for approval. The balloting process for domestic standards is consistent with the process for IFRS Accounting Standards, as described in [paragraphs 35-36](#). The Board approves the proposals in an exposure draft with an affirmative vote of two-thirds of all its members.
57. Explanatory information is included in the exposure draft. It helps readers understand the AcSB's rationale for the decisions it reached and improves the comment process.
58. The AcSB allows for a comment period generally between 30 and 90 days. However, the specific length of the comment period is decided by the Board considering the urgency, significance, and complexity of the exposure draft and the length of time interested and affected parties will need to consider and comment on the proposals. The following are the guidelines for exposure draft comment periods:
- Exposure drafts proposing a new standard or comprehensive amendments to an existing standard would generally provide a comment period of 90 days.
 - Exposure drafts for annual improvements and new accounting guidelines would generally provide a comment period of a minimum of 30 days.

59. When the comment period ends, staff analyzes and summarizes the feedback received and the results of other consultations, such as roundtables. The AcSB reviews:
- (a) written feedback received;
 - (b) a summary of the comments received;
 - (c) feedback from other consultations; and
 - (d) an analysis of the major points.

In considering the input, the Board consults with its advisory committees and working groups as appropriate. To seek further comments and suggestions, the Board may conduct further consultations.

Exposure draft for annual improvements

60. Some proposed amendments to standards that are minor or narrow in scope can be packaged together and exposed in one document. Such amendments are called “annual improvements”. Annual improvements follow the same due process as other amendments to standards, except that they consist of unrelated amendments that are issued for comment in a single exposure draft. A basis for conclusions is not required with annual improvements.
61. The justification for exposing unrelated improvements in one document is that such amendments are limited to changes that either clarify the wording in a standard or correct relatively minor unintended consequences, oversights or conflicts between existing requirements of standards. They do not propose a new principle or a change to an existing principle. Although it is not necessary to undertake consultation or outreach for annual improvements beyond the comment letter process, the AcSB may hold some meetings.

Finalizing a standard

62. The new or amended standard is drafted early in the process so that the AcSB can review the preliminary versions. The mandatory parts of a standard are:
- (a) principles and the related application guidance;
 - (b) defined terms; and
 - (c) effective date and transition provisions.
63. A standard may have appendices that provide authoritative guidance, and illustrative examples and other material that are not authoritative.
64. When a new standard or amendment to a standard is issued, it is accompanied by consequential amendments to other standards as needed.
65. The final decision to issue, amend or withdraw a standard is made during AcSB meetings and confirmed by voting in AcSB meetings or written ballot outside AcSB meetings in line with its Statement of Operating Procedures.

66. Once the AcSB finalizes its deliberations, it approves issuing the final standard or amendment, subject to final drafting and the balloting process. The balloting process to finalize a new or amended domestic standard is consistent with the process for IFRS Accounting Standards, described in [paragraphs 35-36](#). The Board approves the final standard or amendment with an affirmative vote of two-thirds of all its members.

Assessing whether changes to the proposed standard are significant

67. Before approving a final standard, the AcSB decides, by formal vote, whether, in its judgment, redeliberation of the issues has significantly changed the exposed proposed standard. If the proposals have been significantly changed, re-exposure of the standard is required unless the Board decides, by formal vote, not to re-expose for one or more reasons. Those reasons are described in the basis for conclusions prepared when the project is completed.
68. When deciding whether to re-expose, the AcSB:
- (a) identifies substantial issues that emerged during the comment period on the exposure draft that it had not previously considered;
 - (b) assesses the evidence that it has considered;
 - (c) determines whether it has sufficiently understood the issues, implications and likely effects of the new requirements, and actively sought the views of interested and affected parties;
 - (d) considers whether the various viewpoints were appropriately discussed in the exposure draft;
 - (e) assesses whether the revised draft includes any fundamental changes on which respondents have not had the opportunity to comment because they were not contemplated or discussed in the exposure draft; and
 - (f) considers whether it will learn anything new by re-exposing a revised draft.
69. If the AcSB is satisfied that the revised draft responds to the feedback and that it is unlikely that re-exposure will reveal any new concerns, it proceeds to finalize the proposed requirements.
70. The more extensive and fundamental the changes from the exposure draft and current practice, the more likely the revised draft should be re-exposed. However, the AcSB weighs the cost of delaying improvements to financial reporting against the relative urgency for the change and considers what additional steps it has taken to consult with interested and affected parties since issuing the exposure draft. Using advisory committees, working groups or targeted consultation can give the Board information to support a decision to finalize a revised draft without re-exposure. If the Board decides that re-exposure is necessary, the due process is the same as for the first exposure draft.
71. The public comment period for such documents is normally a minimum of 60 days.

Effective date and transition

72. A standard, or an amendment to a standard, has an effective date and transition provisions. The mandatory effective date is set so that those applying the standard have sufficient time to prepare for the new requirements. The AcSB also considers the effect of the transition provisions on first-time adopters of Canadian financial reporting standards. This includes the interaction of the transition provisions with those in Section 1500, *First-time Adoption*, in Part II of the CPA Canada Handbook – Accounting and Section 1501, *First-time Adoption by Not-for-Profit Organizations*, in Part III of the CPA Handbook – Accounting.

Basis for conclusions

73. A basis for conclusions accompanies exposure drafts for new or amended standards in Parts II-IV of the CPA Canada Handbook – Accounting, other than annual improvements given their nature. A basis for conclusions is issued on all final standards including new or amended standards and annual improvements.
74. The AcSB explains the rationale behind its decisions in developing a proposal or changing a standard for private enterprises, NFPOs or pension plans in the basis for conclusions. The document includes:
- (a) reasons for undertaking the project;
 - (b) alternatives considered and why the Board made the decisions reflected in the proposals or final standard;
 - (c) an effects analysis, including a discussion of the expected effects that the proposal or final standard will have on financial reporting, such as costs and benefits, with a conclusion that the benefits justify the costs;
 - (d) a summary of the significant issues raised by interested and affected parties on proposals and the reasons for the Board's decisions on these issues; and
 - (e) a summary of the due process activities the Board took in developing the standard.

Publication

75. Before the AcSB issues a standard or an amendment to a standard, it decides what communications should be developed to promote awareness of the new standard or amendment.

Post-publication procedures and maintenance

76. After a standard is issued, the AcSB consults with its advisory committees and working groups, and other interested and affected parties to determine whether unexpected issues have arisen from the implementation of the standard and the potential effect of its provisions. If necessary, the Board considers amending the standard to clarify or address these issues.
77. From time to time, there may be a need for an editorial correction to revise minor inaccuracies, including misspellings, mistranslations, numbering and grammatical mistakes. Such corrections do not alter the technical meaning of the text. These are made without exposure and with the

approval of the Director, Accounting Standards. AcSB members are informed of any change and may request that these be discussed at a Board meeting before the change is made to the CPA Canada Handbook – Accounting.

Post-implementation review

78. A post-implementation review assesses the effect of a new standard or major amendment and whether there are any significant unexpected changes to financial reporting or operating practices resulting from the application of the standard. The objectives of the assessment are to determine whether the standard is understandable and it is being applied as intended, and whether preparers are able to report the information reliably.
79. After the new or amended standard becomes effective, there is usually a two-year period before deciding if a post-implementation review is needed. The AcSB assesses the situation on a case-by-case basis to determine the appropriate number of years before beginning a review and makes the decision at its discretion.
80. Based on its initial assessment, the AcSB may decide not to conduct a post-implementation review or that it would be premature to undertake a review at that time. In this situation, the Board would inform the Oversight Council of its decision not to carry out or to defer a review, explaining why it has reached this conclusion and, in the case of a deferral, indicating when it expects to conduct the review.
81. As a result of the review, the AcSB may decide to amend the accounting standard. In this case, the Board follows the same process as when it develops a new standard or amends an existing standard.
82. The post-implementation review has two main activities:
 - (a) information gathering and outreach; and
 - (b) a public report on the review, summarizing tentative conclusions of the review and analysis.
83. Information gathering provides feedback on whether:
 - (a) the new standard or amendment applied to develop financial statement information is useful to users;
 - (b) there are unexpected costs or challenges in applying the new standard or amendment; and
 - (c) there are areas of the standard that represent interpretation challenges and, as a result, impair the consistent application of the new standard or amendment.
84. The AcSB normally allows a minimum of 90 days for comment on such a consultation. The Board considers the comments that it has received from the consultation, along with the evidence and information that it has obtained from any additional analysis. When the Board completes its deliberations, it presents its findings in a public report.

85. In addition to post-implementation reviews that respond to a new standard or major amendment, the AcSB may decide to conduct a review in response to changes in the financial reporting environment and regulatory requirements, or concerns about the quality of a standard that have been expressed by the Board's advisory committees and working groups, the Oversight Council or other interested and affected parties.
86. The AcSB must inform the Oversight Council when it has completed its review and provide it with a copy of the final report.

Due Process Considerations

Dissensions

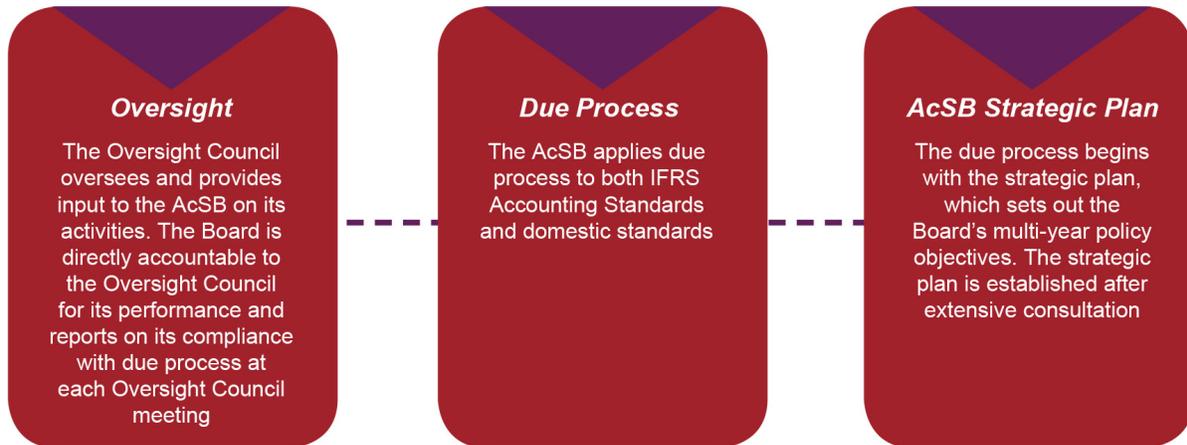
87. An AcSB member who dissents during the balloting process does so on the entire document subject to the ballot. A dissenting member should make their views clear at a Board meeting, which are recorded in the minutes, or on the ballot form.
88. Disagreeing on one matter/issue within a document does not necessarily mean the AcSB member should dissent on that document. In deciding to dissent, a Board member considers the following factors:
 - (a) For the endorsement of a new IFRS Accounting Standard or amendment, Board members dissent if they think the changes are not suitable for application in Canada.
 - (b) For domestic standard-setting projects, Board members dissent if they think the proposed or new requirements will not improve financial reporting.
89. In considering whether to dissent, an AcSB member is informed by the findings from outreach with all interested and affected parties and applies their judgment and experience to consider the likely effects of the document. This includes, but is not limited to, consideration of:
 - (a) the alignment to the underlying conceptual framework/financial statement concepts and other existing standards;
 - (b) whether the new requirements are in the public interest and result in an improvement to financial reporting;
 - (c) the burden to preparers compared with the benefits to users of financial statements; and
 - (d) for IFRS Accounting Standards and amendments, the views and underlying decisions of the IASB, and feedback on the Board's wraparound exposure draft.
90. If an AcSB member intends to dissent, they should indicate their intention at a Board meeting prior to the balloting process. This should include the justification for why they think the factors in [paragraph 88\(a\) or \(b\)](#), as relevant, have been met.

91. For domestic standards, dissenting views are incorporated into the consultation paper, or the explanatory information in the exposure draft or into the background information and basis for conclusions document for a final standard/amendment. For IFRS Accounting Standards, the dissenting views are included in the summary of the AcSB's endorsement activities. The dissenting views are included as views considered by the Board but are not separately identified as dissenting views of Board members.

Visuals

Due Process – Both IFRS Accounting Standards and domestic standards

CPA Canada Handbook – Accounting, Parts I, II, III and IV

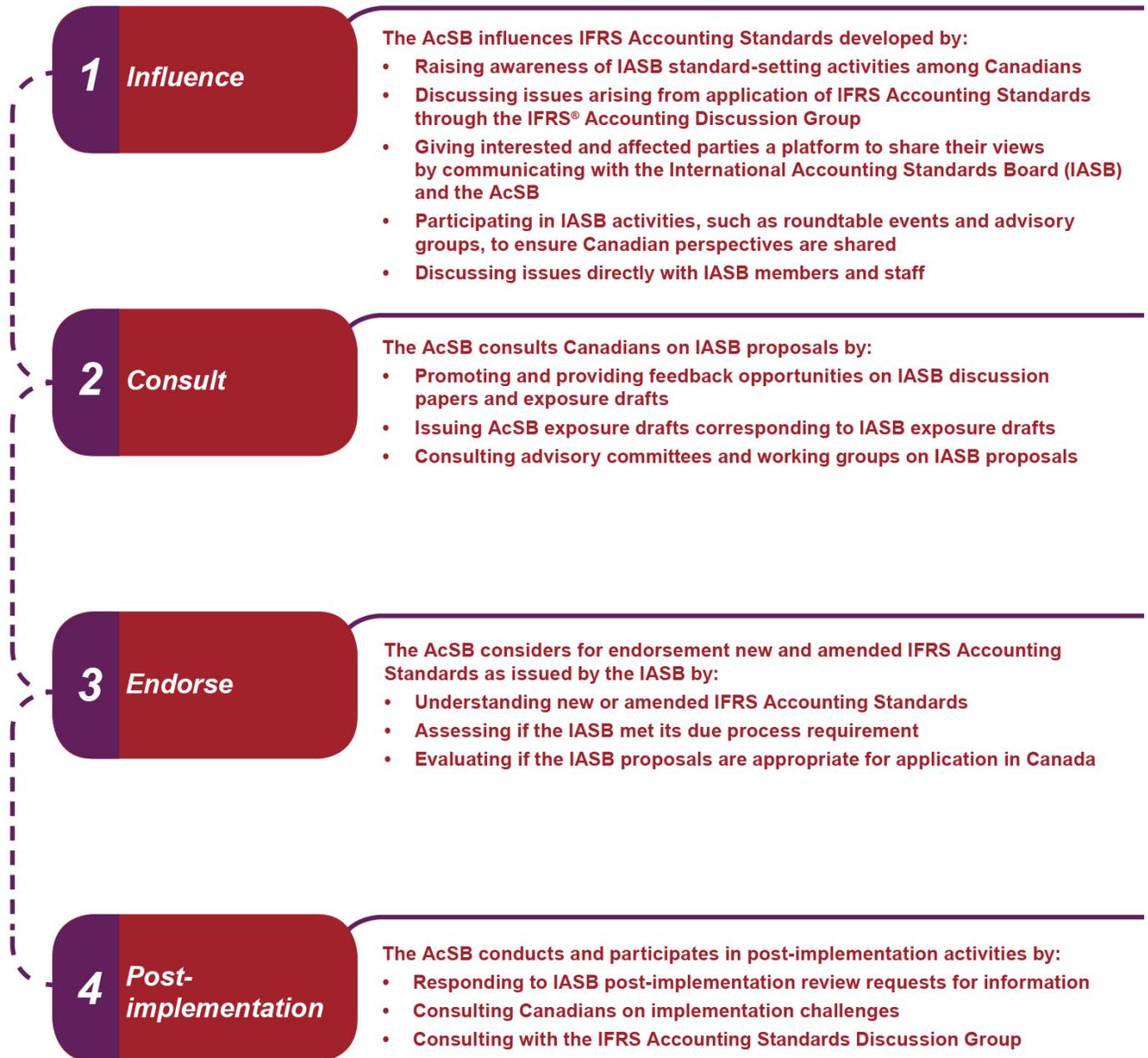


- (a) Deliberates proposals to change standards at AcSB meetings
- (b) Expose a draft new standard or amendments to a standard for public comment
- (c) Provide explanations of, and reasons for, key changes to domestic standards
- (d) Conduct a consultation process and consider feedback received
- (e) Consider if proposals to domestic standards need to be re-exposed
- (f) Publish a basis for conclusions for final domestic standards
- (g) Consider if the IASB appropriately followed its due process for IFRS Accounting Standards
- (h) Publish a summary of due process steps undertaken
- (i) Expose a draft strategic plan for public comment
- (j) Consult the Oversight Council on strategic and operating plans
- (k) Provide information to interested and affected parties to ensure transparency
- (l) Respond to the concerns raised by interested and affected parties on a timely basis

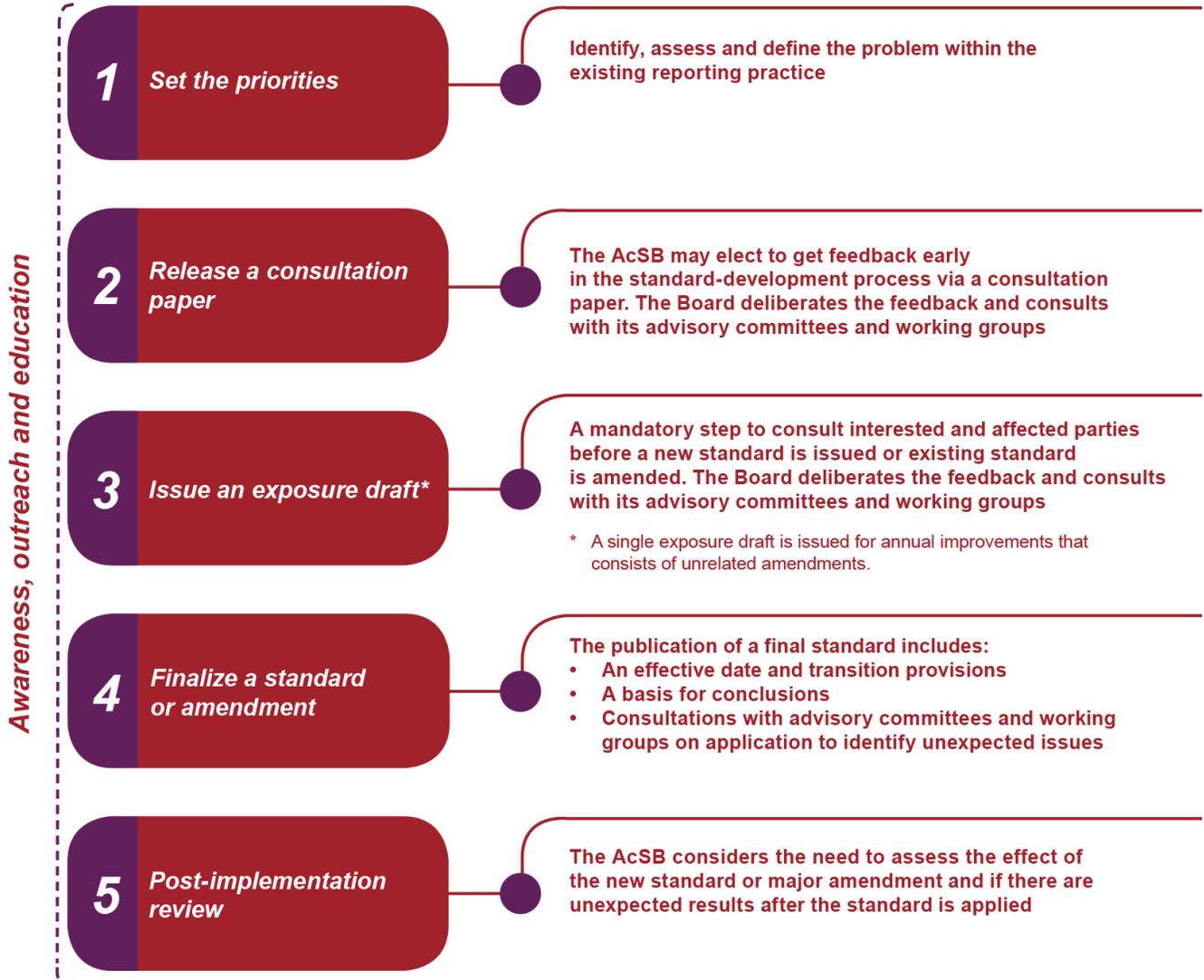
- (a) Provide the minimum comment period for all documents issued for public comment
- (b) Conduct outreach with interested and affected parties that is proportionate to the topic
- (c) Re-expose domestic standard proposals if they are significantly changed from the first exposure
- (d) Consider the need for a post-implementation review of a domestic standard



CPA Canada Handbook – Accounting, Part I



CPA Canada Handbook – Accounting, Parts II to IV



Domestic Standards: Standard-setting Project Categories

