



**Organismo Italiano di Contabilità – OIC
(The Italian Standard Setter)**

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EFRAG
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Re: Exposure Draft *Due Process Handbook*

Dear Benoit,

We are pleased to have the opportunity to provide our comments on the EFRAG's draft comment letter on the IFRS Foundation Exposure Draft *Due Process Handbook* (the 'ED').

We welcome the review of the Due Process Handbook in order to reflect the creation of the ISSB as well as some proposed enhancements and clarifications.

In general, we concur with the observations expressed by EFRAG, and in particular with:

- the strong recommendation that SASB standards and the SASB standards taxonomy are brought in the scope of the due process procedures foreseen for ISSB standard setting, in order to be subject to the same due process of ISSB standards, including, for example, post-implementation review and technical work plan considerations;
- the suggestion to create an Interpretation Committee also for the sustainability matter. We strongly agree that it is necessary to ensure a public feedback on decisions taken regarding implementation issues as already happens in the accounting field. In this regard, we recommend EFRAG to have a similar due process with open consultation on Q&A;
- the recommendation for a more incisive action by the IASB in addressing the issues arisen in a post-implementation review (PIR). We are aware that, as stated in the Due Process Handbook, not all issues arising from the PIR automatically lead to standard-setting and the PIR is also not intended to lead to the resolution of every application question. However, we concur with EFRAG that the PIR is an opportunity to learn from application experience to enhance the Standards

In addition, we would like to point out the following remarks:

- IFRS Interpretation Committee (IFRS IC): although the ED does not propose amendments to the IFRS IC, this consultation gives us the opportunity to provide comments on its due process. The IFRS IC sometimes provides a solution to an implementation issue going through IAS 8 (e.g. the recent case of cloud computing). In these cases, when the solution cannot be found referring to a specific standard, we believe that it would be preferable to address the issue with an interpretation or an amendment of the standard. Indeed, using IAS 8 means that there is no single accounting treatment. Therefore, to avoid diversity in practice, it would be better to proceed with a standard-setting project;
- length of the standard-setting process: the IASB sometimes takes too long in dealing with an issue, which is not compatible with the preparers' need for timely feedback on the issue they are dealing with. We observe that taking several years to develop a standard implies that in the meantime practices have developed and cases, initially considered, have also evolved.
Therefore, we recommend the IASB, but also the ISSB, to set clear timeframes for addressing an issue and complete the relative due process.
- Interoperability: we believe that especially the ISSB, rather than “connectivity”, should include “interoperability” as an additional criterion for assessing sustainability reporting matters that could be added to its work plan;

Should you need any further information, please do not hesitate to contact us.

Yours sincerely,

Michele Pizzo
(OIC Chair of the Board of Directors)

