



<b>Project:</b>	n/a	<b>Meeting</b>	April 2020 (M175)
<b>Topic:</b>	<b>Documents open for comment by other organisations</b>	<b>Agenda Item:</b>	10.1
		<b>Date of the Agenda Paper:</b>	14 April 2020
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		<b>Decision-Making:</b>	Low
		<b>Project Status:</b>	n/a

## Objective of this paper

- 1 The objective of this paper is to:
  - (a) inform the Board about consultative documents already issued or to be issued by other international standard-setting bodies; and
  - (b) ask the Board to decide which consultative documents to provide feedback/comments on.

## Reasons for bringing this paper to the Board

- 2 The Board's strategy is to influence the work of the International Accounting Standards Board (IASB), International Public Sector Accounting Standards Board (IPSASB) and other relevant international organisations with a goal of having the principles in the Standards issued by these organisations aligned, where relevant and possible.
- 3 Historically, the Board has decided which consultation documents to comment on based on factors such as the relevance and importance of the consultation to the AASB's projects and strategies, the potential impact of the proposals on Australian constituents and the priority of projects as decided by the Board. This agenda paper will assist the Board in prioritising and deciding which consultation documents it should comment on.

## Documents currently open for comment

Originating organisation	Document	Date of release	AOSSG input	Comments due	Staff recommendation for AASB approach
IASB	<a href="#">IBOR Reform and its Effects on Financial Reporting—Phase 2 (ED)</a>	April 2020	Yes	25 May 2020	<p>The IASB has issued ED/2020/1 <i>IBOR reform - Phase 2</i> with a comment period of 45 days.</p> <p>Staff recommend that the Board provides high level feedback to the IASB to expedite their work on the IBOR Reform and its Effects on Financial Reporting - Phase 2 project as Australian constituents:</p> <ul style="list-style-type: none"> <li>• generally agree with the proposals; and</li> <li>• support finalising the amendments addressing “replacement issues” arising from the reform of an interest rate benchmarks as soon as possible.</li> </ul> <p>Preliminary feedback received so far from Panel members on the tentative decisions made by IASB (i.e. prior to the ED being issued by the IASB) has been supportive with some minor clarification points requested by a couple of constituents to date (e.g. clarification of terms used e.g. “modification made on economically equivalent basis” and clarification of replacement or rollover strategy available for substantial modifications). These constituents are considering submitting their comments directly to the IASB and as such, <u>staff do not recommend that the Board provides comments to the IASB on the specific proposals of the ED.</u> This is subject to any significant issues raised in submissions to the AASB post the date of this staff paper.</p>

					Please refer to agenda paper 6.1 <i>IBOR – Phase 2 Draft Comment Letter to the IASB</i> for further notes and question to Board whether to submit formally to IASB.
IASB	<a href="#">Goodwill and Impairment – Discussion paper</a>	March 2020	Yes	15 September 2020	The AASB have issued the Australia-equivalent of the IASB’s Discussion Paper on Goodwill and Impairment. Staff will also be holding targeted outreach activities to obtain constituent feedback.  The Board decided at the March 2020 Board Meeting that the AASB will make a submission to the IASB.
IPSASB	<a href="#">ED70 Revenue with Performance Obligations</a> <a href="#">ED71 Revenue without Performance Obligations</a> <a href="#">ED72 Transfer Expenses</a>	February 2020	No	15 September 2020	As per the <a href="#">November 2019 meeting</a> the Board decided to comment on all three ED’s.  ED 70 and ED 71 would provide recognition and measurement requirements and guidance on revenue.  ED 72 would provide recognition and measurement requirements applicable to providers of non-exchange transactions (such as providing grants and contributions but excluding social benefits).
IASB	<a href="#">ED/2019/9 General Presentation and Disclosure</a>	December 2019	Yes	30 June 2020	The Australian-equivalent <a href="#">ED 298 General Presentation and Disclosures</a> is currently open for comment until 15 May 2020.  The board decided at the November 2019 Board Meeting that the AASB will make a formal submission to the IASB.
IASB	<a href="#">Comprehensive Review of the IFRS for</a>	January 2020	No	27 July 2020	The Board decided at the March 2020 Board Meeting that the AASB will not make a submission to the IASB.

	<a href="#">SMEs Standard and comment letters</a>				
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### Documents currently open for comment – Tentative Agenda Decisions

Originating organisation	Document	Date of release	AOSSG input	Comments due	Staff recommendation for AASB approach
IFRIC	<a href="#">Sale and Leaseback with Variable Payments (IFRS 16)</a>	Q1 2020	No	13 May 2020	<p>Staff agree with the conclusions reached by the IFRS IC and recommend that the Board does not comment to the IFRIC. The request asked how, in the transaction described, the seller-lessee measures the right-of-use asset arising from the leaseback in case of variable lease payments, and thus determines the amount of any gain or loss recognised at the date of the transaction.</p> <p>The Committee concluded that the principles and requirements in IFRS 16 provide an adequate basis for an entity to determine, at the date of the transaction, the accounting for the sale and leaseback transaction described in the request. However, the narrow-scope amendment to IFRS 16 was recommended.</p>
IFRIC	<a href="#">Deferred Tax Related to an Investment in a Subsidiary (IAS 12)</a>	Q1 2020	No	13 May 2020	<p>Staff agree with the conclusions reached by the IFRS IC and recommend that the Board does not comment to the IFRIC based on the IFRIC's analysis of the request.</p> <p>The request asked whether the entity recognises a deferred tax liability for the taxable temporary</p>

					<p>difference associated with its investment in the subsidiary.</p> <p>The Committee concluded that the principles and requirements in IAS 12 provide an adequate basis for an entity to account for deferred tax in the fact pattern described in the request. Consequently, the Committee decided not to add the matter to its standard-setting agenda.</p>
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**International Consultative Documents upcoming for comment/feedback – decision needed from Board as to whether to comment or to take other action**

Originating organisation	Document	Expected date of release	Summary issue
IASB	<a href="#">Business Combinations under Common Control – Discussion paper</a>	June 2020	<p>The IASB is exploring ways to improve the reporting on combinations of businesses under common control. The IASB has completed its discussions of measurement approaches and disclosures and is preparing a discussion paper setting out its preliminary views on reporting these transactions.</p> <p>Staff suggest to hold targeted outreach activities and provide comments on the discussion paper to IASB.</p>

**Questions to the Board**

1. Does the Board agree with the above staff recommendations?
2. Does the Board have any other comments on the documents open for comment?