



<b>Project:</b>	n/a	<b>Meeting</b>	September 2020 (M177)
<b>Topic:</b>	<b>Documents open for comment by other organisations</b>	<b>Agenda Item:</b>	11
		<b>Date of the Agenda Paper:</b>	2 September 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="#">Discussion Paper Business Combinations – Disclosures, Goodwill and Impairment</a>	March 2020	Yes	31 December 2020	<p>The Board decided at the March 2020 Board Meeting that the AASB will make a formal submission to the IASB.</p> <p>The AASB have issued the Australia-equivalent of the IASB's Discussion Paper on <i>Business Combinations, Disclosures, Goodwill and Impairment</i> with a comment period ending 2 October 2020.</p> <p>Staff also held two webinars in August to obtain constituent feedback. A summary of key issues raised by constituents will be discussed with the Board at the September and November Board meetings. Refer to agenda item 4 of this meeting.</p>
IASB	<a href="#">ED/2019/9 General Presentation and Disclosure</a>	December 2019	Yes	30 September 2020	<p>The Board decided at the April meeting to prepare a formal submission to IASB. The Staff is undertaking further analyses of feedback collected.</p> <p>The Board will finalise its comments to the IASB at its September 2020 meeting. Refer to agenda items 6 and 9 of this meeting.</p>
IASB	<a href="#">Comprehensive Review of the IFRS for SMEs Standard and comment letters</a>	January 2020	No	27 October 2020	<p>The Board decided at the March 2020 Board Meeting that the AASB will not make a submission to the IASB.</p>

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	1 November 2020	<p>As per the November 2019 meeting the Board decided to comment on all three ED's. Refer to agenda item 8 of this meeting.</p> <p>ED 70 and ED 71 would provide recognition and measurement requirements and guidance on revenue.</p> <p>ED 72 would provide recognition and measurement requirements applicable to providers of transfers (non-exchange transactions), such as grants and contributions to other parties, but excluding social benefits.</p>
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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
IFRS Interpretations Committee (IFRIC)	<a href="#">Supply Chain Financing Arrangements— Reverse Factoring (IAS 1, IAS 7, IFRS 7 and IFRS 9)</a>	June 2020	N/A	30 September 2020	<p>Staff have sought Board's view on this matter via email, and based on the feedback received, we do not intend to comment to IFRIC. Whilst supply chain financing is common in Australia, and our limited outreach indicated there is diversity in practice in accounting and inconsistency in disclosures, staff consider that the agenda decision provides useful guidance on the application of the existing Standards.</p> <p>Staff discussed the tentative agenda decision with the User Advisory Committee (UAC). UAC members were supportive of the tentative agenda decision and thought it provided useful guidance. Some UAC members noted their expectation that auditors should ensure disclosure follows the tentative agenda decision.</p>

					<p>The Committee made a tentative agenda decision not to add these matters to its standard-setting agenda because the principles and requirements in IFRS Standards provide an adequate basis for assessment.</p> <p>The Committee observed that:</p> <ul style="list-style-type: none"> <li>• assessing presentation of liabilities related to reverse factoring arrangements may involve judgement, and an entity needs to consider the amount, nature and timing of those liabilities;</li> <li>• an entity's assessment of the nature of the liabilities that are part of the reverse factoring arrangement may help in determining the nature of the related cash flows arising from operating or financing activities; and</li> <li>• an entity provides information about reverse factoring arrangement in its financial statements to the extent that such information is relevant to the understanding of any of those financial statements (eg liquidity risk disclosures in accordance with IFRS 7 and the relevant disclosure in accordance with IAS 7 where no cash flows are involved).</li> </ul>
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**Forthcoming international documents for comment – decision needed from the Board as to whether to comment or to take other action**

Originating organisation	Document	Expected date of release	Summary
IASB	<a href="#">Business Combinations under Common Control – Discussion paper</a>	September 2020	The Board decided at the April meeting to perform targeted outreach to collect feedback from stakeholders and provide comments to the IASB.
IASB	<a href="#">Lease Liability in a Sale and Leaseback - Exposure Draft</a>	September 2020	<p>The IASB discussed a question about a sale and leaseback transaction with variable payments that do not depend on an index or rate. The IASB has tentatively concluded that the principles and requirements in IFRS 16 provide an adequate basis for an entity to determine the accounting at the date of such a transaction.</p> <p>The IASB decided to amend IFRS 16 to specify how a seller-lessee should apply the subsequent measurement requirements in IFRS 16 to the lease liability that arises in the sale and leaseback transaction.</p> <p>Staff recommend to provide comments to IASB subject to the submissions received from the stakeholders.</p>
IASB	<a href="#">Post-implementation Review of IFRS 10, IFRS 11 and IFRS 12 – Request for Information</a>	October 2020	<p>A Post-implementation Review is structured in two phases. Currently, the IASB’s Post-implementation Review of IFRS 10, IFRS 11 and IFRS 12 is in the first phase, which involves an initial identification and assessment of the matters to be examined.</p> <p>Staff recommend to hold targeted outreach activities and provide comments to IASB subject to availability of resources.</p>
IPSASB	Amendments to IPSAS 5, <i>Borrowing Costs</i>	October 2020	The IPSASB expects to issue an exposure draft to propose amendments to IPSAS 5, <i>Borrowing Costs</i> , to clarify the application of the "qualifying asset" and "directly attributable" criteria for the

			<p>capitalisation of borrowing costs. The ED is based on the IPSASB's consideration of the responses received to its Consultation Paper <i>Measurement</i>.</p> <p>Staff recommend that the Board not comment on the ED. The ED will not propose any changes to the accounting policy choice to capitalise or expense borrowing costs. The proposed amendments relate only to non-authoritative material, to add implementation guidance and illustrative examples.</p>
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**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?