



Project:	n/a	Meeting	April 2021 (M180)
Topic:	Documents open for comment by other organisations	Agenda Item:	13.1
		Date of the Agenda Paper:	1 April 2021
Contact(s):	Tom Liassis tliassis@asb.gov.au Patricia Au pau@asb.gov.au	Project Priority:	n/a
		Decision-Making:	Low
		Project Status:	n/a

Objective of this paper

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

Reasons for bringing this paper to the Board

- 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.
- 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.

Current IASB documents open for comment – decision needed from the Board as to whether to comment or to take other action

Originating organisation	Document	Date of release	AOSSG input	Comments due	Staff recommendation for AASB approach
N/A					

IFRS Interpretation Committee’s Tentative Agenda Decisions currently open for comment – decision needed from the Board as to whether to comment or to take other action

Originating organisation	Document	Date of release	AOSSG input	Comments due	Staff recommendation for AASB approach
IFRS IC	Tentative Agenda Decision: Non-refundable Value Added Tax on Lease Payments (IFRS 16)	March 2021	N/A	24 May 2021	<p>The IFRIC request relates to how a lessee accounts for any non-refundable value added tax (VAT) charged on lease payments. The request asked whether, in applying IFRS 16, the lessee includes non-refundable VAT as part of the lease payments for a lease.</p> <ul style="list-style-type: none"> • the lessee operates in a jurisdiction in which VAT is charged on goods and services. A seller includes VAT in an invoice for payment issued to a purchaser. In the case of leases, VAT is charged when an invoice for payment is issued by a lessor to a lessee. • the applicable legislation: <ul style="list-style-type: none"> ○ requires a seller to collect VAT and remit it to the government; and ○ generally allows a purchaser to recover from the government VAT charged on payments for goods or services, including leases. • because of the nature of its operations, the lessee can recover only a portion of the VAT charged on purchased goods or services. This includes VAT charged on payments it makes for leases. Consequently, a portion of the VAT the lessee pays is non-refundable.

Originating organisation	Document	Date of release	AOSSG input	Comments due	Staff recommendation for AASB approach
					<ul style="list-style-type: none"> lease agreements require the lessee to make payments to the lessor that include amounts related to VAT charged in accordance with the applicable legislation. <p>The IFRIC has not obtained evidence that the matter has widespread effect and has, or is expected to have, a material effect on those affected, which is consistent with what staff have heard from outreach with various stakeholders.</p> <p>Consequently, the IFRIC decided not to add a standard-setting project to the work plan.</p> <p>Staff do not recommend commenting on the IFRS IC TAD as staff agree with the IFRS IC decision and feedback received from targeted outreach is consistent.</p>
IFRS IC	Tentative Agenda Decision: Accounting for Warrants that are Classified as Financial Liabilities on Initial Recognition (IAS 32)	March 2021	N/A	24 May 2021	<p>The IFRIC received a request about the application of IAS 32 <i>Financial Instruments: Presentation</i> in relation to the reclassification of warrants. Specifically, the request described a warrant that provides the holder with the right to buy a fixed number of equity instruments of the issuer of the warrant for an exercise price that will be fixed at a future date.</p> <p>The IFRIC observed that IAS 32 contains no general requirements for reclassifying financial liabilities and equity instruments after initial recognition when the instrument's contractual terms are unchanged.</p> <p>The IFRIC concluded that the matter described in the request is, in isolation, too narrow for the IASB or the IFRIC to address</p>

Originating organisation	Document	Date of release	AOSSG input	Comments due	Staff recommendation for AASB approach
					<p>in a cost-effective manner. Instead, the IASB should consider the matter as part of its broader discussions on the Financial Instruments with Characteristics of Equity project.</p> <p>Staff do not recommend commenting on the IFRS IC TAD as staff agree with the IFRS IC decision.</p>

Current IPSASB documents for comment – decision needed from the Board as to whether to comment or to take other action

Originating organisation	Document	Date of release	Comment due date	Staff recommendation for AASB approach
N/A				

Current documents for comment by other organisations – decision needed from the Board as to whether to comment or to take other action

Originating organisation	Document	Date of release	Comments due	Staff recommendation for AASB approach
N/A				

Current and forthcoming documents open for comment – decisions already made by the Board at previous meetings

Originating organisation	Document	Date of release	Comments due	Summary
IASB	IFRS Standard Request for Information: Post-implementation Review IFRS 10 Consolidated Financial Statements IFRS 11 Joint Arrangements IFRS 12 Disclosure of Interests in Other Entities	9 December 2020	To IASB – 10 May 2021 To AASB – 15 March 2021	The Board decided at the September 2020 meeting to hold targeted outreach activities and provide comments to the IASB subject to availability of resources.
IASB	Exposure Draft: Regulatory Assets and Regulatory Liabilities	January 2021	To IASB – 30 July 2021 To AASB - 10 May 2021	The Board decided at the February 2021 meeting to provide comments to the IASB subject to feedback received from stakeholders.
IASB	Exposure Draft: Disclosure Initiative—Targeted Standards-level Review of Disclosures	March 2021	To IASB – 21 October 2021 To AASB - TBD	The Board decided at the February 2021 meeting to provide comments to the IASB subject to feedback received from stakeholders.
IASB	Exposure Draft: Lack of Exchangeability (Amendments to IAS 21)	Expected in April 2021	To IASB – August 2021 To AASB - TBD	The Board decided at the February 2021 meeting to provide comments to the IASB subject to feedback received from stakeholders.
IASB	Discussion Paper DP/2020/2 <i>Business Combinations under Common Control</i>	November 2020	1 September 2021	The Board received an education session from AASB staff on the IASB Discussion Paper DP/2020/2 <i>Business Combinations under Common Control</i> . The Board intends to consider a draft submission at its June 2021 meeting.

Originating organisation	Document	Date of release	Comments due	Summary
IASB	Exposure Draft: Revised Practice Statement on Management Commentary	Expected April 2021	To the IASB – September 2021 To AASB - TBD	The Board decided at the February 2021 meeting to provide comments to the IASB subject to feedback received from stakeholders.
IASB	Request for Information: IASB Third Agenda Consultation	31 March 2021	To the IASB – 27 September 2021 To AASB - TBD	Responses to this Request for Information will help shape the IASB's thinking when determining how to prioritise its activities and what new projects to add to its work plan for 2022 to 2026. The Board decided at the November 2020 and February 2021 meeting to make a submission to the IASB.
IPSASB	IPSASB ED 75 <i>Leases</i> and related Request for Information <i>Concessionary Leases and Other Arrangements Similar to Leases</i>	15 January 2021	17 May 2021	The Board decided at the February 2021 meeting to provide comments to the IPSASB on its Request for Information, subject to feedback received from stakeholders. Staff recommend the Board to form a subcommittee to review and approve the submission.
IPSASB	IPSASB ED 76 <i>Conceptual Framework Chapter 7, Measurement: Update</i> ; and IPSASB ED 77 <i>Measurement</i>	Expected April 2021	Expected October 2021	The Board decided at the November 2020 meeting to respond to the IPSASB on these Exposure Drafts as they have cross-cutting issues with the Board's Fair Value Measurement for Not-for-Profit Entities project.
IPSASB	IPSASB ED 78 <i>IPSASB 17 Update, Heritage and Infrastructure</i>	Expected April 2021	Expected October 2021	The Board decided at the February 2021 meeting to not comment on IPSASB ED 78.
IPSASB	IPSASB ED 79 <i>Non-Current Assets Held for Sale and Discontinued Operations</i>	Expected April 2021	Expected October 2021	The Board decided at the February 2021 meeting to not comment on IPSASB ED 79.

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?