



<b>Project:</b>	n/a	<b>Meeting</b>	May 2022 (M187)
<b>Topic:</b>	<b>Documents open for comment by other organisations</b>	<b>Agenda Item:</b>	8.1
		<b>Date of the Agenda Paper:</b>	2 May 2022
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		<b>Decision-Making:</b>	Low
		<b>Project Status:</b>	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 in the near future by other international standard-setting bodies; and
  - ask the Board to **decide** on which consultative documents to provide feedback.

## Reasons for bringing this paper to the Board

- The Board's strategy is to influence the work of the International Accounting Standards Board (IASB), the 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.
- Appendix A to this paper provides a summary of documents open for comment that the Board has previously made a decision regarding whether to provide feedback.

**IASB documents 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
N/A					

**IFRS Interpretations 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
N/A					

**Forthcoming 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	Expected comment date	Staff recommendation for AASB approach
IPSASB	Consultation Paper <i>Natural Resources</i>	May 2022	October 2022	<p>The IPSASB’s Natural Resources project will be conducted in phases. This Consultation Paper (CP) relates to phase 1 of the project, which addresses financial reporting issues relating to three types of natural resources:</p> <p>(a) Subsoil resources – non-living natural items which occur within the earth (e.g. mineral and metal deposits, petroleum, coal, and natural gas). The CP will consider the accounting implications for both the subsoil resources and the land that contains the subsoil resources.</p> <p>(b) Water resources in their natural state (e.g. surface water in seas, rivers, streams, lakes, groundwater aquifers and water impounded in reservoirs and</p>

Originating organisation	Document	Expected date of release	Expected comment date	Staff recommendation for AASB approach
				<p>canals). The CP will focus on issues regarding the recognition, measurement and disclosure of water.</p> <p>(c) Living resources – living organisms that are naturally occurring and in their natural state (e.g. an animal or plant). The CP will consider issues regarding control as part of the analysis of the recognition of living resources.</p> <p>Further phases might develop an exposure draft, depending on the responses to the Consultation Paper, or address other natural resources. This project potentially could establish recognition and/or disclosure requirements for resources that currently are not addressed in financial statements in Australia.</p> <p>Staff considered whether it would be essential to provide formal views to the IPSASB in response to the CP in accordance with paragraph 20 of <a href="#">The AASB's Approach to International Public Sector Accounting Standards</a>, which covers responding to significant IPSASB consultation documents. Although the issues being discussed in the CP may be important to some Australian public sector entities in particular, staff consider that deferring the consideration of financial reporting issues associated with natural resources until the IPSASB outlines firm proposals in an Exposure Draft would be a more effective approach.</p> <p><b>Staff recommend the Board not comment on the IPSASB Consultation Paper but in due course consider responding to an IPSASB Exposure Draft.</b> Staff will monitor this project and consider the need for a domestic project to address financial reporting issues associated with natural resources in accordance with the <i>AASB Not-for-Profit Entity Standard-Setting Framework</i> as the IPSASB project develops.</p> <div style="border: 1px solid black; padding: 5px;"> <p><b>Q1: Do Board members agree with the staff recommendation to not comment on the IPSASB Consultation Paper and to defer consideration of financial reporting issues associated with natural resources until the IPSASB has progressed to an Exposure Draft?</b></p> </div>

## Appendix 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
IFRS IC	<a href="#">IFRS 17 Insurance Contracts – Transfer of Insurance Coverage</a>	-	23 May 2022	The Committee received a request about a group of annuity contracts. The request asked how an entity determines the amount of the contractual service margin to recognise in profit or loss in a period because of the transfer of insurance coverage for survival in that period.  At its April Board meeting, the Board decided not to comment.
IFRS IC	<a href="#">Lease Forgiveness of Lease Payments</a>	-	23 May 2022	The Committee received a request about a lessor’s application of IFRS 9 and IFRS 16 in accounting for a particular rent concession. The rent concession is one for which the only change to the lease contract is the lessor’s forgiveness of lease payments due from the lessee under that contract.  At its April Board meeting, the Board decided not to comment.
IFRS IC	<a href="#">Special purpose acquisition companies (SPAC): Classification of public shares as financial liabilities or equity</a>	-	23 May 2022	The Committee received a request about applying IAS 32 in relation to the classification of shares issued by a special purpose acquisition company (SPAC) as financial liabilities or equity. A SPAC is a listed entity that is established to acquire a yet to be identified target entity.  At its April Board meeting, the Board decided not to comment.
IFRS IC	<a href="#">SPAC: Accounting for Warrants at Acquisition</a>	-	23 May 2022	The Committee received a request about an entity’s acquisition of a special purpose acquisition company (SPAC). The request asked how the entity accounts for warrants on acquiring the SPAC.  At its April Board meeting, the Board decided not to comment.
ISSB	<a href="#">Exposure Draft on [Draft] IFRS S1 General Requirements for Disclosure</a>	31 March 2022	ISSB – 29 July 2022	The AASB published the Exposure Drafts in Australia to gather feedback to assist the Board to provide input into the ongoing work of the ISSB and to inform the Board as to the appropriateness of and

Originating organisation	Document	Date of release	Comments due	Summary
	<a href="#">of Sustainability-related Financial Information</a>  <a href="#">Exposure Draft on [Draft] IFRS S2 Climate-related Disclosures</a>		AASB – 15 July 2022	support for its proposed approach to sustainability-related financial reporting in Australia. <sup>1</sup>

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<sup>1</sup> See [Exposure Draft 321 Request for Comment on ISSB \[Draft\] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and \[Draft\] IFRS S2 Climate-related Disclosures](#).