



Issue: Number 125
Date: 22 May 2009
Subject: AASB Meeting 98, 20-21 May 2009

Consultative Group

The Board met with its Consultative Group on Wednesday 20 May 2009 at which the Board's work program and priorities, responses to the global financial crisis, the status of projects on accounting for superannuation plans and approved deposit funds, leases and differential reporting were discussed. Members also received an update on the Board's international activities including the formation of an Asian Oceanian Standards Setters Group.

Differential Reporting

The Board considered staff papers setting out the IASB's decisions on redeliberation of its *Exposure Draft of A Proposed IFRS for Small and Medium-sized Entities* and the implications of the forthcoming IFRS for SMEs for a possible alternative regime to the IFRS for SMEs. The Board decided that issues papers on the following should be prepared for consideration at forthcoming Board meetings:

- (a) analysis of various approaches to creating an alternative regime of reporting requirements (in addition to full IFRSs and the IFRS for SMEs) for application in preparing general purpose financial statements that involve full IFRS recognition and measurement requirements but reduced disclosures; and
- (b) in an Australian context, the meaning of 'holding assets in a fiduciary capacity' referred to in the IASB's definition of 'public accountability'.

Income from Non-Exchange Transactions

The Board considered a revised draft ED in its project with the NZ FRSB to develop a common Standard based on IPSAS 23 *Revenue from Non-Exchange Transactions (Taxes and Transfers)*.

The Board approved the issue of ED 180 *Income from Non-exchange Transactions (Taxes and Transfers)*, subject to making a number of amendments. The amendments decided at the meeting include:

- (a) the ED should be issued as a joint ED with the FRSB, requiring the inclusion of some additional NZ material and changes in presentation to distinguish Australian and NZ specific material;
- (b) revision of the proposed requirements and Basis for Conclusions paragraphs concerning the measurement of financial assets and financial liabilities in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*; and
- (c) the ED should request the views of constituents concerning the role of AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* once a Standard based on the ED is issued.

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The Board agreed with the FRSB to a five-month comment period from the date of issuing the ED. ED 180 will be available on the website once the necessary amendments have been made in conjunction with the FRSB.

Revenue Recognition

The Board considered comment letters from constituents on ITC 18 "Request for Comment on IASB Discussion Paper *Preliminary Views on Revenue Recognition in Contracts with Customers*" and notes from roundtable discussions on ITC 18 and agreed on the main thrust of its submission to the IASB, which will be finalised out-of-session. The key aspects of the preliminary views discussed by the Board included the significance of the distinction between goods and services and the delivery of goods in terms of the treatments that would apply.

Annual Improvements

The Board made Accounting Standards AASB 2009-4 *Amendments to Australian Accounting Standards arising from the Annual Improvements Process* and AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process*. These Standards include amendments made to IFRSs by the IASB as a result of its Annual Improvements Process. AASB 2009-4 applies to annual reporting periods beginning on or after 1 July 2009. AASB 2009-5 will apply to annual reporting periods beginning on or after 1 January 2010. Early adoption of amendments for individual pronouncements is permitted. AASB 2009-4 and AASB 2009-5 will be available on the website shortly.

First-time Adoption of Australian Accounting Standards

The Board made AASB 1 *First-time Adoption of Australian Accounting Standards* (May 2009), consistent with the restructured IFRS 1 *First-time Adoption of International Financial Reporting Standards* issued by the IASB in November 2008. AASB 1 (May 2009) supersedes AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards* and applies to annual reporting periods beginning on or after 1 July 2009. Early adoption is permitted. AASB 1 will be available on the website shortly.

IASB Insurance Project

The Board received a presentation from Tony Coleman, a member of the IASB's Insurance Working Group, on the IASB's recent progress on the project, with a particular focus on the liability measurement approaches currently under consideration by the IASB. The Board agreed that it should monitor the work of the IASB on insurance contracts and provide input on selected issues in advance of the IASB's forthcoming ED.

Interpretations

The Board noted Interpretations issues in progress and that an Australian constituent has raised an issue with the IFRIC about the treatment of stamp duties under IFRS 3/AASB 3 *Business Combinations* (2008).

Financial Instruments

The Board noted the IASB's intention to accelerate the process of revising IAS 39 *Financial Instruments: Recognition and Measurement*. The Board will seek the views of key constituents regarding some of the issues being addressed by the IASB at its next meeting, and to provide its own views on the IASB's preliminary decisions about the changes it might make to IAS 39.

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Policies and Processes

The Board considered a draft *Statement of Policies and Processes*. The draft deals with the Board's policies and processes regarding the development of Standards and Interpretations including the policy in respect of transaction neutrality, differential reporting, due process, consultation and communication. The Board will consider a further draft at a forthcoming meeting.

Minutes

The Board approved the minutes of Meeting 97 held on 22 April 2009. These are now available on the website.

Next Meeting on 24-25 June 2009

It is anticipated that the Board will deal with the following items:

Differential Reporting
Fair Value Measurement
Financial Instruments
GAAP/GFS Harmonisation (Entities within the GGS)
Income Tax
Interpretations
IPSASB Report
IPSASB IFRS Convergence Project (Agriculture, Financial Instruments)
Leases

2009 Meeting Dates

Remaining meeting dates for 2009 are:

24-25 June
29-30 July
23-24 September
28-29 October (joint meeting with FRSB)
9-10 December.

The above meetings will be held in Melbourne.

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