



To:	AASB members	Date:	24 November 2010
From:	Angus Thomson	Agenda Item:	9.1
Subject:	IFRS Foundation strategy review IFRS Interpretations Committee Review questionnaire	File:	

Action

Determine whether the Board should comment on:

- * the Status of Trustees' Strategy Review and/or;
- * the IFRS Interpretations Committee Review questionnaire.

If the Board decides to comment, identify the key views that should be conveyed.

Background

Whether to comment

The IFRS Foundation trustees have issued a paper asking questions about the Foundations' strategy, with comments due by 31 December 2010. Staff assume that, given the nature of the Review, the FRC will comment to the trustees.

Although the AASB is a standard setting board rather than an oversight board, the subjects of some of the questions are directly relevant to the role of the IASB. Accordingly, staff recommend that the AASB comments on relevant questions in the paper.

The IFRS Interpretations Committee has issued a questionnaire asking constituents to rank the Committee in relation to aspects of its operations, with comments due by 31 January 2011.

Although the questionnaire is open to all constituents, staff consider its nature lends itself more to responses from individuals, rather than from a board such as the AASB.

Staff consider that the Committee is likely to receive many comments asking for it to be more active in issuing interpretations, and rather than answering the specific questions, consider it would be helpful for the AASB to respond with a letter that outlines the AASB's experiences and current thinking on interpretations.

Key points on Trustees' Strategy Review

The attached issues paper includes issues identified by AASB staff that the Board may wish to incorporate in any submission it might make to the trustees.

Key points on IFRS Interpretations Committee

AASB staff recommend that the Board uses the opportunity to make comments along the following lines to the IFRS Interpretations Committee.

- * On first adopting IFRS, the AASB sought a number of interpretations from the SIC/IFRIC. With the benefit of hindsight, many of these are generally adequately dealt with in the IFRSs themselves. Others have been suitably addressed in the annual improvements process that has been developed more recently.
- * The AASB has its own interpretations capability, and since adopting IFRSs has found the need to use that capability once in respect of a narrow issue that emanates from domestic tax law. Other issues have been investigated using the AASB's interpretations capability and on at least one occasion the IASB used input from the AASB to make a relevant change to IFRSs through the annual improvements process.
- * The existing process seems to be functioning reasonably well, including the 'agenda rejection statement'¹ process. The AASB appreciates that there is some ambiguity around the status of agenda rejection statements, but consider that the process offers a useful avenue for having issues and the various views on those issues publicly debated.

Process for finalising comments

Staff suggest that, given the nature of the Status of Trustees' Strategy Review and the IFRS Interpretations Committee issues (and the short comment timeline for the Strategy Review), there is no need to issue consultative documents to ascertain the view of AASB constituents.

Staff suggest that, based on the Board member views expressed at this meeting, and assuming the Board agrees to respond to at least one or both of the documents, the Chairman be charged with finalising the Board's comments by the relevant response date(s).

Attachments

Issues paper – Status of Trustees' Strategy Review – Agenda paper 9.2

Issues paper – Paper for public consultation – Status of Trustees' Strategy Review (5 November 2010) – Agenda paper 9.3

IFRS Interpretations Committee Review questionnaire (November 2010) – Agenda paper 9.4

Canadian Accounting Standards Board letter to IFRS Foundation trustees dated 17 November 2010 – Agenda paper 9.5

¹ These appear on the IASB website as 'Items not taken into the agenda (with final decisions published)'.