



To:	AASB members	Date:	24 June 2011
From:	Christina Ng	Agenda Item:	16.1
Subject:	Financial Instruments Impairment - project update	File:	

Action

Receive an update on recent developments in the IASB and the FASB's joint project Financial Instruments Impairment.

Based on information currently available, there will be no significant recent developments to report in respect of hedging or offsetting.

Attachments

Agenda paper 16.2 – Slides on Financial Instruments Impairment Update (to be provided at the July 2011 AASB meeting)

Background

The IASB and the FASB have been deliberating issues and feedback received on ED/2009/12 *Financial Instruments: Amortised Cost and Impairment* and the Supplement to ED/2009/12 *Financial Instruments: Impairment* (Supplement ED) with the objective of issuing a converged and revised impairment approach.

At the June 2011 AASB meeting, staff provided an update on the project, including recent tentative decisions made by the IASB and the FASB. The Boards decided in June to develop a variation of the Supplement ED impairment model due to lack of support for the combined IASB and FASB impairment model that was proposed in the Supplement ED.

Both the IASB and the FASB plan to continue discussing the project in the weeks leading up to the July 2011 AASB meeting. Due to the timing of the meetings, staff will table a high level project update at the July 2011 meeting.