



To:	AASB Members	Date:	2 June 2010
From:	Joanna Spencer	Agenda Item:	4.7
Subject:	Revised AASB 1048 <i>Interpretation of Standards</i>	File:	

Action

1. To review two alternative draft versions of an updated AASB 1048 *Interpretation of Standards* to:
 - (a) decide which version to adopt; and
 - (b) to vote on making that version.

Changes from AASB 1048 as issued in March 2009

2. The draft versions of AASB 1048 (in both marked-up and clean copies) are attached as Agenda papers 4.8.1, 4.8.2, 4.9.1 and 4.9.2. These versions encompass all the changes relating to Interpretations between March 2009 and June 2010. This includes the addition of AASB Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*.
3. Staff propose changing the name of this Standard from *Interpretation and Application of Standards* to *Interpretation of Standards*. This name change is necessary due to an application Standard being developed as a result of the Differential Reporting project. AASB 1048 has never addressed the application of Standards in terms of the entities that should apply them.
4. Agenda papers 4.8.1 and 4.8.2 are marked up and clean versions of AASB 1048 based on the approach in previous versions of AASB 1048 in that all versions of Interpretations (whether current or not) are listed. AASB 1048 under this approach therefore provides a complete history of all versions of Interpretations since the adoption of International Financial Reporting Standards in 2005.
5. Agenda papers 4.9.1 and 4.9.2 are marked up and clean versions of an abbreviated AASB 1048 that includes only versions of Interpretations that are applicable to any reporting period to which the revised AASB 1048 would apply mandatorily, (i.e. annual reporting periods ending on or after 30 June 2010). A maximum eighteen-month period as permitted

under the *Corporations Act 2001* sec 323D is proposed for this version of AASB 1048 in order to limit the versions of Interpretations listed (to those applying mandatorily to annual reporting periods beginning on or after 1 January 2009).

6. In September 2008, staff presented members with a similar abbreviated version, because staff considered it was unnecessary to encumber AASB 1048 with versions of Interpretations that were no longer applicable. However, members decided that they preferred listing all Interpretations as it would provide an ‘audit trail’ of all versions of Interpretations.
7. Staff would like members to reconsider this decision because:
 - (a) the full version is becoming unwieldy due to the number of versions of superseded Interpretations (13 pages of Interpretations as opposed to 6 pages for the abbreviated version);
 - (b) the history of all versions of Interpretations can be identified through the various versions of AASB 1048 and amending Standards (and the compilation details in compiled versions of Interpretations); and
 - (c) there is a cost saving in issuing an abbreviated version, not only in the printing of the Standard itself but also in its FRLI registration whereby the fee is calculated on a page number basis.

Attachments

Agenda paper 4.8.1 Draft AASB 1048 full version – marked up from existing AASB 1048 (March 2009)

Agenda paper 4.8.2 Draft AASB 1048 full version – clean copy

Agenda paper 4.9.1 Draft AASB 1048 abbreviated version – marked up from Agenda paper 4.8.2

Agenda paper 4.9.2 Draft AASB 1048 abbreviated version – clean copy