Australian Government
Australian Accounting Standards Board

Memorandum

To:	**AASB members**	**Date:**	24 May 2011
From:	**Christina Ng**	**Agenda Item:**	10.1
Subject:	**Financial Instruments Impairment Update**		

Action

Receive an update on the IASB project *Financial Instruments: Impairment*.

Background

The IASB issued a Supplement to ED/2009/12 *Financial Instruments: Impairment* (Supplement ED) in January 2011 and comments on the Supplement ED closed by 1 April 2011. Both the ED/2009/12 and the Supplement ED proposed a new impairment model that is based on expected losses to replace the existing IAS 39 incurred loss impairment model.

The IASB and the FASB have been deliberating issues and feedback received on ED/2009/12 and the Supplement ED with the objective of issuing a converged and revised impairment approach. In addition, the IASB has revised its timeline on the project to finalise a Standard on impairment as part of IFRS 9 by Q3 of 2011 (originally expected by June 2011). Both the IASB and the FASB continue to discuss the project in the weeks leading up to the next June 2011 AASB meeting.

Attachments

Agenda paper 10.2 – Financial Instruments Impairment Slide Presentation (to be provided at the June 2011 AASB meeting)