



<b>To:</b>	<b>AASB Members</b>	<b>Date:</b>	24 May 2011
<b>From:</b>	<b>Raymond Yu , Mischa Ginns and Shu In Oei</b>	<b>Agenda Item:</b>	17.1
<b>Subject:</b>	<b>Interpretations Update</b>	<b>File:</b>	

## Action

Note recent decisions of the IFRS Interpretations Committee and provide staff with directions on the issues identified in Agenda Paper 17.4.

## Attachments

Agenda Paper 17.2	Interpretations – Issues in progress (12 April 2011)
Agenda Paper 17.3	May 2011 <i>IFRIC Update</i>
Agenda Paper 17.4	Issues Paper on IAS 16 <i>Property, Plant and Equipment</i> —accounting for stripping costs in the production phase of a surface mine
Agenda Paper 17.5	Draft Interpretation IASB DI/2010/1 <i>Stripping Costs in the Production Phase of a Surface Mine</i>
Agenda Paper 17.6	Revised Draft Interpretation of IASB D1/2010/1 (IASB staff paper)

## Background

The most recent meeting of the IFRS Interpretations Committee was held on 5-6 May 2011 and its next meeting will be held on 7-8 July 2011. The agenda items for the next meeting have not yet been finalised.

A summary of each of the IFRS Interpretations Committee current active projects, including those that were discussed at the May 2011 meeting, and the expected future direction is provided in Agenda Paper 17.2 *Interpretations – Issues in Progress*.

## Topics relevant in the Australian environment

AASB staff have identified the following topics on the IFRS Interpretations Committee agenda that may be of particular significance in the Australian environment:

- a) IAS 16 *Property, Plant and Equipment*—accounting for stripping costs in the production phase of a surface mine; and

- b) *IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IFRIC 6 Liabilities arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment—use of IFRIC 6 by analogy.*

**IAS 16 *Property, Plant and Equipment—accounting for stripping costs in the production phase of a surface mine***

Staff have prepared an Issues Paper (see Agenda Paper 17.4) that addresses issues identified by AASB staff in the revised Draft Interpretation of IASB DI/2010/1 *Stripping Costs in the Production Phase of a Surface Mine* (see Agenda Paper 17.6) presented by the IFRS Interpretations Committee staff at the May 2011 IFRS Interpretations Committee meeting.

**IAS 37 *Provisions, Contingent Liabilities and Contingent Assets and IFRIC 6 Liabilities arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment—use of IFRIC 6 by analogy***

The IFRS Interpretations Committee has received a request to clarify whether, under certain circumstances, IFRIC 6 should be applied by analogy to other levies charged for participation in a market on a specified date to identify the event that gives rise to a liability. The concern raised relates to when a liability should be recognised. The Committee directed the IASB staff to review the guidance in IAS 37 on the timing of recognition of a liability and to perform further outreach activities to National Standard Setters to learn about what analysis has already been performed on similar levies that might be helpful to the Committee. As a result, AASB staff have requested input from relevant constituents. Feedback will be provided back to IASB staff on any input received, and a verbal update will be presented at the June 2011 AASB meeting.