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| <b>To:</b>      | <b>AASB Members</b>              | <b>Date:</b>        | 27 January 2010 |
| <b>From:</b>    | <b>Joanna Spencer</b>            | <b>Agenda Item:</b> | 14.2            |
| <b>Subject:</b> | <b>Emissions Trading Schemes</b> | <b>File:</b>        |                 |

## Action

To receive an update on the IASB's Emissions Trading Project.

## Background

At the December 2009 AASB meeting, staff brought to the Board's attention the tentative decision of the IASB and FASB that membership of a voluntary emissions trading scheme (ETS) would result in an entity recognising a liability prior to emitting. The Board asked staff to contact the IASB project staff and convey the Board's concern over this tentative decision. The email stream relating to this request is provided as Agenda paper 14.2.1.

At the December 2009 IASB/FASB meeting the Boards discussed the accounting for the right to receive allowances in an ETS before the related allowances have been issued. The Boards did not make any decisions at this meeting, however when asked if there would be any difference in accounting between a voluntary and a mandatory ETS the Boards agreed that ultimately there should be little or no difference.

Chris Neame, Project Manager, NZICA provided a summary of the IASB/FASB meeting for the 28 January 2010 FRSB meeting, which is attached as Agenda paper 14.2.2. Also provided for information is the IASB Staff Paper – Agenda Item 18 – Accounting for the right to future instalments, which is attached as Agenda paper 14.2.3.

## Attachments

- Email Correspondence between AASB staff and IASB staff re ETS tentative decisions – Agenda paper 14.2.1
- Memorandum to FRSB from Chris Neame (FRSB Agenda paper B4.1) – Agenda paper 14.2.2
- IASB Staff Paper Agenda Item 18 – Accounting for the right to future instalments – Agenda paper 14.2.3