



To:	AASB members	Date:	5 February 2013
From:	Daisy Yang	Agenda Item:	18.1
Subject:	IASB Proposals: Impairment – Recoverable Amount Disclosures	File:	

Actions

- Form preliminary views on the significant issues in IASB ED/2013/1 *Recoverable Amount Disclosures for Non-Financial Assets* (Proposed Amendments to IAS 36), subject to considering subsequent comment letters on AASB ED 235 (which incorporates IASB ED/2013/1).
- Decide the process for finalising the Board's submission to the IASB.

Attachments

- Agenda paper 18.2 Staff Issues Paper: Forming Preliminary Views on IASB ED/2013/1 *Recoverable Amount Disclosures for Non-Financial Assets* (Proposed Amendments to IAS 36)
- Agenda paper 18.3 AASB ED 235 (incorporating IASB ED/2013/1) *Recoverable Amount Disclosures for Non-Financial Assets*

Background

In January 2013, the IASB published ED/2013/1 and the AASB issued ED 235, which incorporates the IASB ED. The ED proposes amendments to the disclosure requirements of IAS 36 *Impairment of Assets* to:

- (a) better reflect the IASB's intention (when it last amended IAS 36) regarding the scope of recoverable amount disclosures; and
- (b) require additional information about the recoverable amount of impaired assets when their recoverable amount is fair value less costs of disposal and impairment losses were recognised or reversed during the period¹.

¹ One of the amendments proposed to IAS 36 in IASB ED/2013/1 (i.e., disclosure of the discount rate used when measuring fair value less costs of disposal using a present value technique) repeats, for context, a proposal in IASB ED/2012/1 *Annual Improvements to IFRSs 2010–2012 Cycle* (May 2012). The IASB is not seeking further comments on that proposed amendment in ED/2013/1.

Comments on the ED are due to the AASB by 28 February 2013 and to the IASB by 19 March 2013. No comments have been received to date on AASB ED 235.

Agenda Paper 18.2 (the Staff Issues Paper) sets out the staff's preliminary views on the key issues to be included in the Board's submission on IASB ED/2013/1. The preliminary view of AASB staff is that the IASB's proposals should generally be supported.

Process for finalising Board submission

Board members are asked whether they wish to establish a subcommittee to facilitate the finalisation of the Board's submission to the IASB. Staff recommend review of the submission by the Chairman only, subject to whether the comment letters on AASB ED 235 (which will be provided to Board members out of session) raise significant new issues (or contrary views) that might warrant subcommittee involvement.

Regardless of whether a subcommittee is established, Board members are welcome to provide comments to staff out of session on drafting or other issues regarding IASB ED/2013/1 and the Board's submission on it.

Staff will shortly send a Tier 2 disclosure requirements analysis to the Board's Differential Reporting Subcommittee, with the aim of issuing promptly a Tier 2 Supplement to AASB ED 235 for comment.