



Australian Government
Australian Accounting Standards Board

Memorandum

To:	AASB members	Date:	5 February 2013
From:	Julie Smith and Robert Keys	Agenda Item:	4.1 (M129)
Subject:	IFRS Interpretations Committee update	File:	

Action

Receive an update on the recent IFRS Interpretations Committee (Committee) related activities and decide whether there are any issues that need to be raised with the Committee at this stage.

Attachments

Agenda paper 4.2 AASB Staff Summary of IFRS IC Decisions – January 2013

Agenda paper 4.3 *IFRIC Update* January 2013

IFRS Interpretations Committee January meeting

The Committee met on 22-23 January 2013, during which active projects, new items for initial consideration and items for continuing consideration were discussed, and several agenda decisions were made. The next meeting is scheduled for 12-13 March 2013.

Staff recommendation

As reflected in agenda paper 4.2, staff do not think there are any issues arising from the January 2013 Committee meeting that need to be raised with the Committee at this stage.

Question 1 to Board members:

Do you agree with staff's recommendation?

IFRS Interpretations Committee staff outreach requests responded to (28 November 2012 – 5 February 2013)

In developing responses to Committee staff, AASB staff normally consult with a number of outside parties such as accounting firms and industry bodies where appropriate. The requests received from

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Committee staff focus on the relevance of the issue to Australia and observations that have been made in practice, rather than seeking technical views on the issue.

Topic	Date request received	Date AASB staff responded
<p>IFRS 2: Issues related to IFRS 2 <i>Share-based Payment</i></p> <ol style="list-style-type: none"> How to classify and measure share-based payment transactions for which the manner of settlement is contingent on either: <ol style="list-style-type: none"> a future event that is outside the control of both the entity and the counterparty; or a future event that is within the control of the counterparty. How to classify a share-based payment transaction in which the entity is required to withhold a specified portion of the shares that would otherwise be issued to the counterparty upon exercise (or vesting) of the share-based payment award in order to settle the counterparty's tax obligation. How to measure and account for a share-based payment in situations in which a cash-settled award is cancelled and is replaced by a new equity-settled award that has a higher fair value than the original award. 	20 November 2012	20 December 2012
<p>IAS 39: Mandatory convertible debenture issued by a joint venture</p> <p><i>A request to seek clarification on the accounting for a convertible feature of a mandatory convertible debenture in a 50:50 joint venture if the conversion does not result in a change of ownership interest in the joint venture.</i></p>	24 November 2012	18 December 2012
<p>IFRS 3: Acquisition of an interest in an associate or joint venture under common control (Item B4 of agenda paper 4.2)</p> <p><i>Paragraph 2(c) of IFRS 3 includes a scope exemption for business combinations between parties under common control, while IAS 28 does not include a scope exemption for accounting for the acquisition of an interest in an associate or joint venture from an entity under common control.</i></p> <p><i>Is it appropriate to apply the scope exemption for business combinations under common control to the acquisition of an interest in an associate or joint venture under common control?</i></p>	24 November 2012	18 December 2012
<p>IAS 29: Applying IAS 29 when the functional currency is the currency of the hyperinflationary economy.</p> <p><i>Whether it is appropriate to state the financial statements in terms of constant purchasing power units rather than nominal monetary units when an entity's functional currency is the currency of the hyperinflationary economy.</i></p>	7 December 2012	21 December 2012
<p>IAS 39: Novation of Derivatives under EMIR legislation (Item B4 of agenda paper 4.2)</p> <p><i>Discontinuance of hedge accounting for hedging relationships in which derivatives have been novated to central counterparty.</i></p>	20 December 2012	18 January 2013

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Topic	Date request received	Date AASB staff responded
<p>IFRS10 and IAS 32: Classification of puttable instruments that are non-controlling interests in the consolidated financial statements.</p> <p><i>Whether there is an inconsistency between IFRS 10 and IAS 32 in terms of the classification in the consolidated financial statements. Prima facie IFRS 10 would classify NCI within equity and IAS 32 as a liability.</i></p>	1 February 2013	Comments close 21 February 2013