



Australian Government  
Australian Accounting Standards Board

## Memorandum

<b>To:</b>	<b>AASB members</b>	<b>Date:</b>	<b>27 March 2013</b>
<b>From:</b>	<b>Julie Smith and Kala Kandiah</b>	<b>Agenda Item:</b>	<b>4.1 (M130)</b>
<b>Subject:</b>	<b>IFRS Interpretations Committee update</b>	<b>File:</b>	

### Action

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

### Attachments

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

Agenda paper 4.3 *IFRIC Update* March 2013

### IFRS IC March meeting

The Committee met on 12-13 March 2013, during which active projects, new items for initial consideration and items for continuing consideration were discussed, and agenda decisions were made. The next meeting is scheduled for 14-15 May 2013.

### Staff recommendation

As reflected in agenda paper 4.2, staff agree or can accept the Committee's decisions or recommendations with the exception of Item D2 – IAS 37 *Provisions, Contingent Assets and Contingent Liabilities* – Interpretation on Levies. Staff recommend writing to the IC to express concern about the clarity of the proposed scope exclusion for liabilities arising from emission trading schemes and to recommend that the IC conducts further due process (e.g targeted outreach) in relation to the Interpretation on Levies.

For all other topics AASB staff do not think there are any issues arising from the March 2013 IC meeting that need to be raised with the IC at this stage.

### Question 1 to Board members:

Do you agree with staff's recommendation?

## IFRS Interpretations Committee staff outreach requests responded to (6 February 2013 – 25 March 2013)

In developing responses to IC staff, AASB staff normally consult with a number of Board members or outside parties such as accounting firms and industry bodies where appropriate. The requests received from IC 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 10 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	18 February 2013
<p>IFRS 11: Clarify the accounting for a transaction between an entity and its joint venture.</p> <p><i>What is the accounting when an entity enters into a finance lease transaction to lease assets to the joint venture; and the gains from this transaction exceed the entity's interest in the joint venture. See agenda paper 4.2 item E6</i></p>	16 February 2013	28 February 2013
<p>IAS 19: Discount rate for defined benefit liability: pre-tax rate or post-tax rate?</p> <p><i>In some jurisdictions the predominant past practice has been to use a post-tax discount rate to calculate defined benefit liabilities. Typically, IFRSs require the use of a pre-tax discount rate for liabilities. The question raised is whether defined benefit obligations are sufficiently different to other liabilities to justify the use of a post-tax rate. See agenda paper 4.2 item B1</i></p>	20 February 2013	26 February 2013
<p>IFRS 7: Disclosures—Offsetting Financial Assets and Financial Liabilities. Applicability of the amendments to condensed interim financial statements.</p> <p><i>Whether the additional disclosure required by the Amendments to IFRS 7 should be included in condensed interim financial statements prepared in accordance with IAS 34 Interim Financial Reporting. See agenda paper 4.2 item E3</i></p>	20 February 2013	7 March 2013
<p>IFRS 5: The classification of a non-current asset (or a disposal group) as held for sale under specific circumstances.</p> <p><i>Whether the guidance in IFRS 5 Non-current Assets Held for Sale and Discontinued Operations regarding the classification of a non-current asset (or a disposal group) as held for sale is applied in the following examples:</i></p> <p>(a) <i>a disposal plan that is intended to be achieved by means of an initial public offering but where the prospectus has not been approved by the securities regulator; and</i></p> <p>(b) <i>a change in a disposal plan from a plan that previously qualified as held for sale into a plan to spin off the disposal group and distribute a dividend in kind to its shareholders.</i></p>	4 March 2013	22 March 2013