



Memorandum

To:	AASB Members	Date:	2 July 2013
From:	Nikole Gyles	Agenda Item:	4.1 (M132)
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

IFRS Interpretations Committee July meeting

The Committee has not met since the last AASB meeting and will next meet on 16-17 July 2013. Due to the timing of the Committee meeting, AASB staff will provide an update of the Committee's Decisions and the July *IFRIC Update* at the September AASB meeting.

IFRS Interpretations Committee staff outreach requests responded to (15 May 2013 – 2 July 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 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
Classification of particular financial instruments under IAS 32 Financial Instruments: Presentation <i>Committee staff received two submissions that ask for clarification of the requirements for classifying financial instruments in accordance with IAS 32:</i> <ul style="list-style-type: none"> <i>A financial instrument that is mandatorily convertible into a variable number of the issuer's shares upon a 'non-viability' event</i> <i>A financial instrument that is mandatorily convertible into a variable number of shares (subject to a cap and floor) but gives the issuer the option to settle the instrument at any time</i> 	25 May	18 June

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Topic	Date request received	Date AASB staff responded
<i>by delivering the maximum (fixed) number of shares</i>		
IFRS 2 - cash settled and performance condition <i>Request to clarify the guidance in IFRS 2 Share-based Payment in regards to the measurement of cash-settled share-based payment transactions that include a performance condition.</i>	31 May	18 June
IAS 17 Definition of incremental direct costs <i>Whether staff costs for employees (on payroll – not on contract) who spend all (or substantially all) of their time on the negotiation, arranging and creation of new transactions, qualify as ‘incremental costs’ that should be capitalised as initial direct costs or whether the analogy of IAS 39 referring to a singular contract (‘instrument’) precludes those costs from being capitalised as those costs are incurred on a portfolio level rather than on a single lease basis.</i>	7 June	Not yet responded
Presentation of share of OCI of associates and joint ventures <i>Request for clarification on the presentation of the share of the other comprehensive income of associates and joint ventures accounted for using the equity method, in particular whether the presentation of items of OCI arising from equity method investments are required to be presented separately by nature or in aggregate.</i>	14 June	Not yet responded