



## Memorandum

<b>To:</b>	<b>AASB members</b>	<b>Date:</b>	20 August 2013
<b>From:</b>	<b>Nikole Gyles and Shaun Steenkamp</b>	<b>Agenda Item:</b>	<b>4.1 (M133)</b>
<b>Subject:</b>	<b>IFRS Interpretations Committee Update</b>	<b>File:</b>	

### Action

Receive an update on the recent IFRS Interpretations Committee (Committee) related activities (including Committee staff outreach requests sent to AASB staff) 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 – July 2013

Agenda paper 4.3 *IFRIC Update* July 2013

### Request for clarification for levies that are subject to a minimum activity threshold

As discussed by the Board at its July 2013 meeting, AASB staff submitted a request for clarification to the IFRS Interpretations Committee in relation to the accounting for levies that are subject to a minimum activity threshold per IFRIC 21 *Levies* (see Agenda paper 3.5). In particular, whether the obligating event for a levy that is subject to a minimum activity threshold can occur before that threshold is reached.

### IFRS Interpretations Committee July meeting

The Committee met on 16-17 July 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 10-11 September 2013.

### Staff recommendation

Although, as noted in Agenda Paper 4.2, AASB staff have concerns in relation to some of the issues currently being discussed (in particular, items D1 and E1), staff do not think there are any issues arising from the July 2013 Committee meeting that need to be raised with the Committee at this stage.

# Memorandum

## Question 1 to Board members:

Does the Board agree with staff's recommendation?

## IFRS Interpretations Committee staff outreach requests responded to (3 July 2013 – 20 August 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
<p><b>IAS 17 Leases Definition of incremental direct costs</b></p> <p><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></p>	7 June	4 July
<p><b>Presentation of share of other comprehensive income (OCI) of associates and joint ventures</b></p> <p><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></p>	14 June	4 July
<p><b>Application of IFRS 2 Share-based Payment to dual-price IPO</b></p> <p><i>Whether IFRS 2 applies in cases where differences in share price offered to institutional and retail investors in the context of an IPO, whether intentional or unintentional. This issue centres on whether the price difference can be seen as a payment for goods or services received.</i></p>	16 July	2 August
<p><b>Application of IFRS 11 Joint Arrangements</b></p> <p><i>Various issues relating to whether a joint arrangement should be classified as a joint venture or a joint operation, and the accounting for joint operations.</i></p>	17 July	2 August
<p><b>Acquisition of control over joint operations</b></p> <p><i>Request for clarification on the accounting for acquisition of an additional interest in a joint operation (whose activities meet the definition of a business) that results in the acquirer obtaining control over joint operation.</i></p>	22 July	13 August
<p><b>Changes in accounting policies or estimates</b></p> <p><i>Request for clarification on the distinction between a change in accounting policies and change in accounting estimates. Specific examples include a change in own credit risk calculation and a change in the definition of high quality corporate bonds.</i></p>	3 August	Not yet responded