



Australian Government
Australian Accounting Standards Board

Memorandum

To:	AASB members	Date:	8 October 2013
From:	Nikole Gyles and Shaun Steenkamp	Agenda Item:	4.1 (M134)
Subject:	IFRS Interpretations Committee Update	File:	

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 – September 2013

Agenda paper 4.3 *IFRIC Update* September 2013

IFRS Interpretations Committee September meeting

The Committee met on 10-11 September 2013, during which the Committee made a number of final agenda decisions and a tentative agenda decision. Further, the Committee discussed issues considered for Annual Improvements and a narrow scope amendment, issues on its current agenda and issues that are work in progress. The next meeting is scheduled for 12-13 November 2013.

Staff recommendation

As noted in Agenda Paper 4.2, AASB staff have some concerns about the Committee's decision in relation to the effect of protective rights on an assessment of control (issue A2) and its recommendation in relation to Exposure Draft *Defined Benefit Plans: Employee Contributions* (issue C2). However, staff do not consider these issues substantive enough to bring to the attention of the Committee at this stage. Accordingly, staff do not think there are any issues arising from the September 2013 Committee meeting that need to be raised with the Committee at this stage.

Question 1 to Board members:

Does the Board agree with staff's recommendation?

IFRS Interpretations Committee staff outreach requests responded to (21 August 2013 – 8 October 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
Changes in accounting policies or estimates <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>	3 August	27 August
IAS 12 Income Taxes <i>Request for clarification of whether paragraphs 28 and 36 of IAS 12 require that a deferred tax asset is recognised, regardless of an entity's expectations of future losses, when there are suitable reversing taxable temporary differences. Furthermore, whether IAS 12 and a probability threshold is applied where an entity has paid cash to the tax authority but expects to recover some or all of that cash, or whether the guidance in IAS 37 for contingent assets should be applied.</i>	22 August	20 September
Acquisition of control over joint operations – follow-up <i>Request as to whether it is common in Australia for acquisitions of control over joint operations to occur through separate legal entities or not and why entities might not re-measure previously held interests in joint operations not acquired through such a separate legal entity.</i>	30 August	17 September
IFRS 10 Consolidated Financial Statements – Investment Entity Amendments <i>Request for clarification of:</i> <ul style="list-style-type: none"> the accounting by an investment entity parent for an investment entity subsidiary that also provides investment-related services; the definition of investment-related services; the interaction between the investment entity amendments and the separate financial statements requirements in IFRS 10; and a non-investment entity's application of the equity method for investment entity investees. 	20 September	Not yet responded
IAS 37 (IFRIC 21): Levies subject to a pro-rata threshold <i>Request for clarification in relation to the accounting for levies that are subject to a minimum activity threshold per IFRIC 21 Levies. In particular, whether the obligating event for a levy that is subject to a minimum activity threshold can occur before that threshold is reached.</i>	25 September	Issue raised by the AASB, so no response required