



Australian Government
Australian Accounting Standards Board

Memorandum

To:	AASB members	Date:	26 November 2013
From:	Nikole Gyles and Shaun Steenkamp	Agenda Item:	4.1 (M135)
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; and
- recent IASB discussions on narrow-scope amendments.

Attachments

- Agenda paper 4.2 AASB Staff Summary of IFRS IC Decisions – November 2013
- Agenda paper 4.3 *IFRIC Update* November 2013
- Agenda paper 4.4 Memorandum from Christina Ng dated 26 November 2013 re Sale or Contribution of Assets between an Investor and Associates or Joint Ventures – Project Update
- Agenda paper 4.5 Memorandum from Christina Ng dated 26 November 2013 re Acquisition of an Interest in a Joint Operation – Project Update
- Agenda paper 4.6 Memorandum from Christina Ng dated 26 November 2013 re Equity Method: Share of Other Net Asset Changes – Project Update

IFRS Interpretations Committee September meeting

The Committee met on 12-13 November 2013, during which the Committee made a number of final agenda decisions and tentative agenda decisions. 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 29-30 January 2014.

Staff recommendation

As noted in Agenda Paper 4.2, AASB staff disagree with the Committee's decision in relation to IFRIC 21 *Levies* (issue B6 in Agenda paper 4.2). AASB staff continue to support the view expressed by the AASB in its submission that how "the activity that triggers the payment of the levy" should be interpreted in paragraph 8 of IFRIC 21 in assessing when a liability should be recognised is unclear. Some AASB staff can reluctantly accept not adding the issue to the Committee's agenda, but are concerned that the tentative agenda decision as drafted by the Committee includes content that is in the nature of a 'defacto interpretation'. These staff recommend the Board writes to the Committee requesting the wording of the tentative agenda

decision be amended to remove any interpretative guidance. Other AASB staff disagree with the technical view reflected in the tentative agenda decision. However, these staff respect the process by which the Committee came to its view and therefore do not recommend the Board writes to the Committee requesting the Committee reconsider the matter. These staff consider that the issue may be a matter that could be addressed via the IASB's review of its Conceptual Framework.

Question 1 to Board members:

Does the Board wish to write to the Committee in relation to Levies? If so, which issues would the Board like to raise in its letter?

IFRS Interpretations Committee staff outreach requests responded to (8 October 2013 – 26 November 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
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	16 October
IAS 12 Income Taxes <i>Request to clarify the accounting for deferred tax assets and deferred tax liabilities that relate to goodwill and that arise in a subsequent internal reorganisation.</i>	8 November	Not yet responded
Exposure Draft Sale or Contribution of Assets between an Investor and its Associate or Joint Venture—Proposed amendments to IFRS 10 and IAS 28 <i>Outreach request in relation to the Committee decision in July 2013 that further analysis and discussion is needed before proposing whether the IASB should amend or delete paragraph 31 of IAS 28 Investments in Associates and Joint Ventures, which is perceived as conflicting with the proposed amendments to IFRS 10 and IAS 28.</i>	19 November	Not yet responded