



# Memorandum

<b>To:</b>	<b>AASB members</b>	<b>Date:</b>	7 October 2014
<b>From:</b>	<b>Nikole Gyles and Mitchell Bryce</b>	<b>Agenda Item:</b>	4.1 (M141)
<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 – September 2014

Agenda paper 4.3 *IFRIC Update* September 2014

## IFRS Interpretations Committee September 2014 meeting

The Committee met on 16-17 September 2014. At that meeting, the Committee made several tentative agenda decisions that are discussed in Agenda Paper 4.2.

## Staff recommendation

### *Levies*

As noted in Agenda Paper 4.2 (A5), **AASB staff disagree** with the view expressed in the rejection notice that it would not be efficient to give case-by-case guidance on individual fact patterns. Although the submitter has (by definition) provided a single fact pattern – it is clear from the outreach that this is not an isolated example. **AASB staff recommend** this sentence be deleted from the tentative agenda decision.

Accordingly, **AASB staff recommend** the AASB write to the Committee, recommending the sentence be deleted from the tentative agenda decision.

## Question 1 to the Board

Does the Board agree with the staff recommendation to write to the Committee in relation to the issue of *Levies*?

## IFRS Interpretations Committee staff outreach requests (20 August 2014 – 7 October 2014)

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
<b>IFRS 13 Fair Value Measurement</b> <i>Clarification under what circumstances do prices provided by third parties (especially consensus prices) qualify as Level 1 input for the fair value hierarchy in IFRS 13 Fair Value Measurement.</i>	8 August 2014	1 September 2014
<b>IAS 32 Financial Instruments Presentation and IAS 39 Financial Instruments: Recognition and Measurement</b> <i>Clarification of whether reclassification of a financial liability is required or prohibited when the contractual terms of the instrument have not changed.</i>	8 August 2014	1 September 2014
<b>IAS 39 Financial Instruments: Recognition and Measurement</b> <i>The interpretation of the criterion of 'closely related' in paragraph 11 of IAS 39 to determine whether an embedded derivative should be separated from a host contract and accounted for as a derivative in accordance with IAS 39.</i>	8 August 2014	1 September 2014
<b>IAS 28 Investments in Associates and Joint Ventures</b> <i>Clarification on what factors may indicate a fund manager has significant influence over a fund which it manages and has a direct holding in, but does not control.</i>	8 August 2014	2 September 2014
<b>IAS 12 Income Taxes</b> <i>Clarification on the accounting for measurement of deferred tax liability or asset that arises from investment in associate.</i>	10 September 2014	Not yet responded
<b>IAS 19 Employee Benefits</b> <i>Clarification on the accounting treatment for longevity swaps for defined benefit plants.</i>	19 September 2014	Not yet responded
<b>IAS 28 Investments in Associates and Joint Ventures</b> <i>Clarification on the accounting for measurement of investments in associates and joint ventures at fair value through profit or loss.</i>	19 September 2014	Not yet responded
<b>IFRS 10 Consolidated Financial Statements</b> <i>Clarification on the relevant activities of a structured entity.</i>	30 September 2014	Not yet responded
<b>IFRS 10 Consolidated Financial Statements</b> <i>Whether a junior lender should consolidate a structured entity.</i>	30 September 2014	Not yet responded
<b>IFRS 5 Non-current Assets Held for Sale and Discontinued Operations</b> <i>Various IFRS 5 application issues.</i>	3 October 2014	Not yet responded
<b>IAS 21 The Effects of Changes in Foreign Exchange Rates</b> <i>How to determine which exchange rate to use when reporting revenue transactions denominated in a foreign currency in the functional currency of the entity in accordance with IAS 21.</i>	3 October 2014	Not yet responded
<b>IFRS 9 Financial Instruments</b> <i>Submission on accounting for gift cards issued by banks and financial institutions in their financial statements.</i>	7 October 2014	Not yet responded