



Australian Government
Australian Accounting Standards Board

Memorandum

To:	AASB members	Date:	2 December 2014
From:	Kala Kandiah	Agenda Item:	24.1 (M142)
Subject:	Classification and Measurement of Share-based Payment Transactions	File:	

Action

Subject to consideration of any comments that might be received from AASB constituents, form tentative views on the proposals in IASB ED/2014/5 *Classification and Measurement of Share-based Payment Transactions*, and decide on an approach for finalising the AASB's comment letter to the IASB.

Attachments

Agenda paper 24.2 – Issues paper on AASB ED 257 *Classification and Measurement of Share-based Payment Transactions* (which incorporates the IASB ED)

Agenda paper 24.3 – AASB ED 257 *Classification and Measurement of Share-based Payment Transactions*

Background and overview of proposals

- 1 The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (the 'Interpretations Committee') received requests to clarify some issues related to IFRS 2 *Share Based Payment*. The IASB considered these issues and decided to propose amendments to IFRS 2 to clarify these issues.
- 2 Consequently, in November 2014, the IASB issued ED/2014/5 *Classification and Measurement of Share-based Payment Transactions*, which proposes amendments to IFRS 2 to address:
 - (a) the effects of vesting conditions on the measurement of a cash-settled share-based payment;
 - (b) the classification of share-based payment transactions with net settlement features; and
 - (c) the accounting for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.
- 3 In November 2014, the AASB issued ED 257, which incorporates IASB ED/2014/5. The comment period for ED 257 closes on 25 February 2015 and to date no submissions have been received. . The comment period for IASB ED/2014/5 closes on 25 March 2015. Staff will

raise at the February 2015 AASB meeting or out of session prior to 25 March 2015, any significant issues included in submissions that staff think have not already been adequately dealt with in Issues Paper 24.2.

AASB staff preliminary analysis

- 4 AASB staff preliminary analysis and views have been incorporated into AASB staff issues paper, Agenda Paper 24.2.

Process for finalising the AASB comment letter

- 5 AASB staff recommend, subject to the nature of any responses that might be received from constituents, the submission be finalised out-of-session via the Chair. If any further substantial issues are raised by constituents, AASB staff will bring these to the attention of the Board in the February 2015 meeting or out of session.

Questions to Board members:

1. Do you agree with AASB staff preliminary views in Agenda Paper 24.2 on the proposals in IASB ED/2014/5? Are there other issues you think should be raised?
2. Do you agree to finalise AASB's submission to the IASB out-of-session via the Chair?