



## Memorandum

<b>To:</b>	<b>AASB members</b>	<b>Date:</b>	<b>2 December 2014</b>
<b>From:</b>	<b>Nikole Gyles, Mitchell Bryce and Glenn Brady</b>	<b>Agenda Item:</b>	<b>4.1 (M142)</b>
<b>Subject:</b>	<b>IFRS Interpretations Committee &amp; Revenue TRG Update</b>	<b>File:</b>	

### Action

Receive an update on the:

- (a) 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
- (b) October 2014 Revenue TRG meeting.

### Attachments

Agenda paper 4.2 AASB Staff Summary of IFRS IC Decisions – November 2014

Agenda paper 4.3 *IFRIC Update* November 2014

Agenda paper 4.4 Update on Revenue TRG

### IFRS Interpretations Committee September 2014 meeting

The Committee met on 11 November 2014. At that meeting, the Committee made several final and tentative agenda decisions that are discussed in Agenda Paper 4.2.

### Staff recommendation

As noted in Agenda Paper 4.2, AASB staff have concerns in relation to the wording in the final agenda decisions on ‘accounting for core inventories’ (issue A2) and the ‘holder’s accounting for exchange of equity instruments’ (issue A4).

Although AASB staff disagree with the final agenda decision wording, on the basis that the agenda decisions are now final, and the AASB has already written to the Committee in relation to the accounting for core inventories issue, AASB staff do not consider that writing to the Committee for a second time will result in the Committee reconsidering their decision.

AASB staff also have concerns in relation to the wording in the tentative agenda decision on ‘accounting for income tax assets and liabilities arising from uncertain tax positions’ (issue C3). However, AASB staff do not consider these concerns to be substantive enough to bring to the Committee’s attention at this stage.

Accordingly, AASB staff do not recommend writing to the Committee on any issues discussed at the November 2014 Committee meeting.

## Question 1 to the Board

Does the Board agree with the staff recommendation not to write to the Committee at this stage?

## IFRS Interpretations Committee staff outreach requests / responses (8 October 2014 – 2 December 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>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	10 October 2014
<b>IAS 19 Employee Benefits</b> <i>Clarification on the accounting treatment for longevity swaps for defined benefit plans.</i>	19 September 2014	13 October 2014
<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	13 October 2014
<b>IFRS 10 Consolidated Financial Statements</b> <i>Clarification on the relevant activities of a structured entity.</i>	30 September 2014	21 October 2014
<b>IFRS 10 Consolidated Financial Statements</b> <i>Whether a junior lender should consolidate a structured entity.</i>	30 September 2014	21 October 2014
<b>IFRS 5 Non-current Assets Held for Sale and Discontinued Operations</b> <i>Various IFRS 5 application issues.</i>	3 October 2014	29 October 2014
<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	29 October 2014
<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	27 October 2014