



Australian Government
Australian Accounting Standards Board

Memorandum

To:	AASB members	Date:	12 May 2015
From:	Kala Kandiah	Agenda Item:	13.1 (M145)
Subject:	International Projects	Project Priority	High
Project Status:	Various (see individual project summaries)	Decision-Making:	Medium/Low

Action for this meeting

To decide whether to take any action in relation to key decisions made by at recent international standard-setting meetings.

Link to project summaries (via the AASB work program)

[http://www.aasb.gov.au/admin/file/content102/c3/AASB Standard Setting Work Program.pdf](http://www.aasb.gov.au/admin/file/content102/c3/AASB%20Standard%20Setting%20Work%20Program.pdf)

Attachments

Agenda Paper 13.2 Staff issues paper: Key issues arising from recent international meetings (to be tabled, if needed)

Agenda Paper 13.3A *IASB Update* March 2015

Agenda Paper 13.3B *IASB Update* April 2015

Agenda Paper 13.3C *IASB Update* May 2015 (to be tabled if available)

Agenda Paper 13.4A *IFRIC Update* March 2015

Agenda Paper 13.4B *IFRIC Update* May 2015 (to be tabled)

Agenda Paper 13.5 Deloitte *Clearly IFRS: TRG Revenue Recognition*

Agenda Paper 13.6 Deloitte *IFRS in Focus: IFRS Transition Resource Group Impairment*

Agenda Paper 13.7A March 2015 IPSASB Meeting Highlights

Agenda Paper 13.7B NZ Report IPSASB March 2015

Overview of key issues

IASB (see Agenda Paper 13.3A and 13.3B)

At its March 2015 meeting, the IASB discussed a number of key IASB projects, including Leases, Disclosure Initiative, Insurance, Revenue from Contract with Customers and Conceptual Framework (see *IASB Update* March 2015, Agenda Paper 13.3A). There are no key issues that AASB staff wish to raise with the Board at this stage in relation to this meeting.

The IASB also held a meeting in April 2015, where the IASB discussed a number of other key IASB projects, including Disclosure Initiative and Revenue from Contract with Customers. There are no key issues that AASB staff wish to raise with the Board at this stage in relation to this meeting.

The IASB voted to issue an Exposure Draft (ED) proposing a one-year deferral of the effective date of IFRS 15 *Revenue from Contracts with Customers* to 1 January 2018 from 1 January 2017. This decision by the IASB would likely result in the deferral of the effective date of AASB 15 *Revenue from Contracts with Customers* and Exposure Draft XXX *Income of Not-for-profit Entities* to 1 January 2018, to be consistent with IFRS 15. The AASB will issue an ED on the deferral of the effective date of AASB 15 shortly after the issuance of the IASB ED with a comment period of no less than 30 days.

An AASB roundtable on Insurance will be held in Sydney on 12 May with Ian Mackintosh. Due to the timing of the meeting and the roundtable, AASB staff will table any key issues arising from the IASB meeting and the roundtable.

The next IASB meeting is scheduled on 18-20 May 2015.

IFRS Interpretations Committee (see Agenda Paper 13.4A and 13.4B)

The Committee met on 24-25 March 2015, during which the Committee made several final agenda decisions in relation to IFRS 11 *Joint Arrangements*, IAS 12 *Income Taxes* and IAS 19 *Employee Benefits*. AASB staff consider that there are no issues that warrant raising to the Committee at this stage and will continue to monitor items on the Committee's agenda.

AASB staff wish to draw the Board's attention to the numerous IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* issues that are currently being explored by the Committee/ IFRS IC staff. IFRS IC staff have recently made outreach requests on four potential IFRS 5 issues. Further issues pertaining to scope and presentation were discussed at the IFRS IC March 2015 meeting. In addition, various issues relating to impairment losses for a disposal group were discussed by the IFRS IC at its September 2014 meeting. Staff do not recommend that the Board take any action at this time.

The Committee will next meet on 12-13 May 2015. Due to the timing of the Committee meeting, AASB staff will table any key issues arising from the meeting.

Transition Resource Group for Revenue Recognition (TRG) (see Agenda Paper 13.5)

The TRG members met on 30 March 2015 to discuss potential issues with implementing IFRS 15 *Revenue from Contracts with Customers*. The agenda papers for the meeting can be

found on the IASB [website](#) and a publication providing an informal summary of the meeting is attached (see Agenda Paper 10.5). There are no key issues that AASB staff wish to raise with the Board at this stage in relation to this meeting.

The TRG's next meeting is scheduled to be held on 13 July 2015.

IFRS Transition Resource Group for Impairment of Financial Instruments (ITG) (see Agenda Paper 13.6)

The ITG members had their first meeting on 22 April 2015 to discuss potential implementation issues arising from the impairment requirements in IFRS 9 *Financial Instruments* (2014). The agenda papers for the meeting can be found on the IASB [website](#) and a publication providing an informal summary of the meeting is attached (see Agenda Paper 10.6). There are no key issues that AASB staff wish to raise with the Board at this stage in relation to this meeting.

The ITG's next meeting is scheduled to be held on 16 September 2015.

IPSASB (see Agenda Paper 13.7A and 13.7B)

The IPSASB met in March 2015 and discussed a number of key IPSASB projects, including Social Benefits, Reporting Service Performance Information and Government Business Enterprises. There are no key issues that AASB staff wish to raise with the Board at this stage in relation to this meeting.

Questions to Board members:

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| Q1 | Does the Board agree with the staff recommendation above not to take any action in relation to the decisions made by the IASB at its recent meetings? |
| Q2 | Are there any other issues in relation to international projects that Board members wish to raise at this stage? |

**Appendix A: IFRS IC staff outreach requests responded to during the period
27 January 2015 – 12 May 2015**

Topic	Date request received	Date AASB staff responded
IFRIC 14 AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction <i>Outreach request in relation to how to determine an economic benefit available as a reduction in future contributions, in accordance with IFRIC 14.</i>	25 February 2015	26 February 2015
IFRS 13 Fair Value Measurement <i>Outreach request querying: (1) the classification within the fair value hierarchy of a financial instrument when the fair value measurement is based on a model or valuation technique that only uses unadjusted quoted prices or Level 1 inputs; and (2) whether quotes or executable prices as opposed to actual transaction prices be considered to meet the definition of Level 1 inputs.</i>	4 March 2015	18 March 2015
IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations <i>Outreach request in relation to the application of IFRS 5.</i>	9 April 2015	29 April 2015
IFRS 11 Joint Arrangements <i>Outreach querying how to determine the appropriate accounting treatment under IFRS 11 for a previously held interest in a joint operation, when an investor's acquisition of an additional interest results in the investor becoming a joint operator.</i>	9 April 2015	29 April 2015
IAS 23 Borrowing Costs <i>Outreach request querying whether funds borrowed specifically to finance the construction of a qualifying asset, the construction of which has now been completed, <u>must</u> be included as part of general borrowings.</i>	9 April 2015	29 April 2015