



Australian Government
Australian Accounting Standards Board

Memorandum

To:	AASB members	Date:	22 June 2015
From:	Angus Thomson & Clark Anstis	Agenda Item:	10.1
Subject:	Research update	Project Priority	–
Project Status:	Report to Board	Decision-Making:	Low

Action for this meeting

Note significant Research Centre and related activities since the May 2015 meeting.

Attachments

None

Overview

IASB Asia-Oceania forum

The IASB conducted a series of workshops for national standard setters from its Tokyo office and various AASB staff participated by videoconference. The topics were:

- ~ conceptual framework;
- ~ business combinations under common control (BCUCC);
- ~ equity method of accounting;
- ~ disclosure initiative, including the work currently being done by the NZASB on applying (by way of example) particular principles to revise the disclosures in IAS 16 *Property, Plant and Equipment* and IFRS 3 *Business Combinations*.

AFAANZ

The Accounting and Finance Association of Australia and New Zealand (AFAANZ) conference and associated special interest group meetings are being conducted just prior to the July AASB meeting, on Saturday 4 – Tuesday 7 July.

The AASB Chair, Board member Ann Tarca, and staff are involved in presenting and participating in panels on recent and future AASB activities and encouraging greater academic involvement in those activities.

IASB research

The IASB's June meeting papers include an update on the IASB's research program. The matters raised include the following.

- ~ The IASB has decided to suspend its work on high inflation (which presumably means that this project will not be the vehicle for considering measurement issues in the foreseeable future).
- ~ The Rate Regulation project has been reclassified as a standard-setting project, which indicates the IASB's plans to move on this topic sooner than otherwise expected.
- ~ A number of projects have been re-badged as 'development stage projects' and include Dynamic Risk Management, Disclosure Initiative and Financial Instruments with the Characteristics of Equity. These are described as projects that the IASB has decided warrant further investigation, but for which no decision has yet been made about whether a revised or new IFRS will be required. Generally, the IASB will have established that there is a financial reporting problem. The main focus will be on assessing whether the IASB can identify a cost-beneficial solution.
- ~ A number of projects have been re-badged as 'assessment phase projects' and include BCUCC, Equity Method, Discount Rates, Performance Reporting, Pollutant Pricing Mechanisms (Emission Trading Schemes), Post-Employment Benefits, Provisions and Contingencies, and Share-based Payments. These are described as projects on which IASB staff are undertaking research to identify and assess practical application issues to understand if there is a financial reporting problem before determining what further action, if any, is needed.
- ~ A number of projects have been re-badged as 'exploratory phase projects' and include Extractive Activities/Intangible Assets/R&D Activities, and Income Taxes. These are described as large financial reporting issues that lend themselves to assessing whether a fundamentally different approach to the financial reporting issue might be worthwhile.
- ~ At its June 2015 meeting, the IASB is considering issues around scoping the Performance Reporting topic.

Australian Financial Reporting Framework

Staff and the Chair are still negotiating access to ASIC (and ACNC) data that will help inform our research on the Australian Financial Reporting Framework.

Academic Advisory Panel

Anne Tarca is in the process of establishing an AASB Academic Advisory Panel, which is scheduled to meet for the first time on 5 July; given that most of those invited to join the Panel will be at the AFAANZ conference. It is intended that the Panel would:

- ~ assist the AASB in communicating with academia, including helping to identify key people to engage in research of interest to the AASB;
- ~ be a two-way forum that would use members' networks to advise people of the research the AASB is conducting and how they could be involved;
- ~ help identify academics who could inform the AASB about what's on the horizon, and possibly present to the Board;
- ~ keep the AASB posted on what's happening of relevance in academia.