



Memorandum

To:	AASB members	Date:	18 August 2015
From:	Kala Kandiah	Agenda Item:	11.1 (M147)
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 at recent international standard-setting meetings.

Staff recommendation

There are no key issues to take action on at this stage.

Link to project summaries (via the AASB work program)

http://www.aasb.gov.au/admin/file/content102/c3/AASB_Standard_Setting_Work_Program.pdf

Attachments

Agenda Paper 11.2 *IASB Update July 2015*

Agenda Paper 11.3 *IFRIC Update July 2015*

Agenda Paper 11.4 *Deloitte TRG Snapshot: Joint Meeting on Revenue*

IASB (see Agenda Paper 11.2)

At the IASB's July 2015 meeting, the key projects for discussion include Insurance, Dynamic Risk Management, Rate-regulated Activities, Financial Instruments with Characteristics of Equity, Provisions, Contingent Liabilities and Contingent Assets, Revenue from Contracts with Customers and Fair Value Measurement. The IASB also discussed its 2015 Agenda Consultation, which was subsequently issued by the IASB (AASB ITC 33 *Request for Comment on IASB's Request for Views on 2015 Agenda Consultation*). There are no issues that AASB staff wish to raise with the Board at this stage in relation to this meeting.

AASB staff note that IASB Exposure Draft ED/2015/6 *Clarifications to IFRS 15* was issued in July 2015 and a draft comment letter in response to this ED will be discussed at the October 2015 AASB meeting.

The next IASB meeting is scheduled to be held on 21-25 September 2015.

IFRS Interpretations Committee (see Agenda Paper 11.3)

The Committee met on 14 July 2015, during which the Committee made a final agenda decision in relation to IFRIC 14 IAS 19 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*.

In addition, the Committee made two tentative agenda decisions in relation to IAS 2 *Inventories*, IAS 38 *Intangible Assets* and IAS 12 *Income Taxes* and agreed that a proposed improvement to IAS 23 *Borrowing Costs* met the criteria for Annual Improvements.

There are no issues that AASB staff wish to raise with the Board at this stage in relation to this meeting.

The next Committee is scheduled to be held on 8-9 September 2015.

Transition Resource Group for Revenue Recognition (TRG) (see Agenda Paper 11.4)

The TRG members met on 13 July 2015 to discuss potential issues in implementing IFRS 15 *Revenue from Contracts with Customers*. The agenda papers for the meeting can be found on the IASB [website](#) and a Deloitte publication providing an informal summary of the meeting is attached (see Agenda Paper 11.4).

Nine issues/topics were discussed at the meeting: (1) consideration payable to a customer; (2) scope: credit cards; (3) portfolio practical expedient and application of variable consideration constraint; (4) completed contracts at transition; (5) application of the series provision and allocation of variable consideration; (6) practical expedient for measuring progress toward complete satisfaction of a performance obligation; (7) measuring progress when multiple goods or services are included in a single performance obligation; (8) determining when control of a commodity transfers; and (9) accounting for restocking fees and related costs.

For most of the topics, the TRG members did not recommend any changes to IFRS 15. However, it was indicated that topics (3) and (4) may be discussed at a future TRG meeting.

There are no issues that AASB staff wish to raise with the Board at this stage in relation to this meeting.

The next TRG meeting is scheduled to be held on 9 November 2015.

IPSASB

The IPSASB has not met since last reported to the Board. In July 2015, the IPSASB issued an Exposure Draft and a Consultative Paper for comment:

- Exposure Draft (ED) 56 *The Applicability of IPSASs* with comments due by 30 November 2015. A draft comment letter in response to this ED will be discussed as Agenda Item 8 at this AASB meeting; and
- A Consultation Paper (CP) *Recognition and Measurement of Social Benefits* with comments due by 31 January 2016. A draft comment letter in response to this CP will be discussed at the October 2015 AASB meeting.

The next IPSASB meeting is scheduled to be held on 22-25 September 2015.

Appendix A: IFRS Interpretations Committee staff outreach requests (24 June 2015 – 18 August 2015)

Topic	Date request received	Date AASB staff responded
IAS 16 <i>Property, Plant and Equipment</i> and IAS 38 <i>Intangible Assets</i> <i>Variable payments for the separate acquisition of PPE and intangible assets</i>	17 July 2015	7 August 2015
IFRIC 12 <i>Service Concession Arrangements</i> <i>Payments made by an operator to a grantor in a service concession arrangement</i>	17 July 2015	7 August 2015