



Australian Government
Australian Accounting Standards Board

Memorandum

To:	AASB Members	Date:	18 August 2015
From:	Evelyn Ling & Angus Thomson	Agenda Item:	3.1 (M147)
Subject:	Conceptual Framework	Project Priority:	High
Project Status:	Initial deliberations	Decision-Making:	Medium

Actions

Review the draft comment letter and make tentative decisions as to whether the Board supports the positions taken, including with respect to various IASB specific matters for comment.

Links to Related Documents

The following are links to the recently issued AASB Exposure Drafts related to this project:

- (a) AASB ED 264 *Conceptual Framework for Financial Reporting* incorporating IASB ED/2015/3 is located at the following link:
http://www.aasb.gov.au/admin/file/content105/c9/ACCED264_06-15.pdf
- (b) AASB ED 265 *Updating References to the Conceptual Framework* incorporating IASB ED/2015/4 is located at the following link:
http://www.aasb.gov.au/admin/file/content105/c9/ACCED265_06-15.pdf

Attachments

- Agenda Paper 3.2 Draft Comment Letter on IASB ED/2015/3 and IASB ED/2015/4
- Agenda Paper 3.3 Summarised feedback from Conceptual Framework Discussion Forums on AASB ED 264 and ED 265

Status Update

Outreach activity: At the time of issue of this agenda paper, the AASB has hosted two Discussion Forums on the Conceptual Framework EDs in Melbourne and Sydney. A further session is planned for Canberra in September. Feedback from the Discussion Forums held to date is summarised in Agenda Paper 3.3.

IASB comment period: IASB staff have proposed that the IASB consider extending the comment period on its Exposure Drafts to 25 November 2015 (currently 26 October 2015).¹ As the IASB has not yet made a decision in this regard, AASB staff are not asking the Board to make any decisions as to the comment period at this time. However, staff note that if the IASB decides at its 21-25 September meeting to extend the comment period of its EDs, the AASB may receive submissions from Australian constituents after the close of the comment period of ED 264 and ED 265 (currently 5 October 2015). Staff note that the Board meeting following its 21-22 October meeting is 2-3 December, which is after the close of the proposed extended comment period.

Overview of Agenda Paper 3.2

Staff intend to talk mainly to Agenda Paper 3.2, which is an early draft comment letter prepared to facilitate the Board's discussion on the positions it expects to take in response to the specific matters for comment in IASB ED/2015/3. The draft comment letter does not yet include responses to all specific matters for comment. In addition, staff regard some of the comments in the draft as being in their early stages, for example, the responses to questions on present obligation, measurement and profit or loss versus other comprehensive income.

At its July 2015 meeting, the Board tentatively decided that its response to the IASB Conceptual Framework EDs should target key issues for Australian entities, identified as:

- (a) use of profit or loss and other comprehensive income;
- (b) proposed liability definition; and
- (c) measurement.

Other issues would be commented on to a lesser degree in the Board's response.

Agenda Paper 3.2 includes ten Questions for Board members. Nine Questions seek Board views on:

- (a) the Alternative Views of Stephen Cooper, Sue Lloyd and Patrick Finnegan [Q1];
- (b) stewardship [Q3];
- (c) measurement uncertainty and relevance [Q4];
- (d) definition of an asset and an economic resource [Q5];
- (e) definition of a liability and description of a present obligation [Q6];
- (f) recognition approach [Q7];
- (g) derecognition approach [Q8]; and
- (h) profit or loss versus other comprehensive income [Q9].

Q2 is a general question to Board members whether they support the staff recommendations on aspects of the draft response not included in one of the other Questions to Board members.

¹ The IASB staff proposal is included in IASB Agenda Paper 10 (<http://www.ifrs.org/Meetings/MeetingDocs/IASB/2015/September/AP10-Conceptual%20Framework.pdf>) for discussion at the IASB's meeting in late September 2015.