



<b>To:</b>	<b>AASB members</b>	<b>Date:</b>	1 March 2011
<b>From:</b>	<b>Christina Ng</b>	<b>Agenda Item:</b>	5.1
<b>Subject:</b>	<b>Offsetting financial assets and financial liabilities</b>		

## Action

Consider staff preliminary views in Agenda paper 5.2 and provide Board views to assist staff in formulating the basis of the AASB's submission to the IASB ED/2011/1 *Offsetting Financial Assets and Financial Liabilities*.

Consider formation of a subcommittee to finalise the AASB's submission out-of-session.

## Background

ED/2011/1 *Offsetting Financial Assets and Financial Liabilities*, published by the IASB in January 2011, was a consequence of joint decisions made by the IASB and the FASB to address differences in offsetting requirements between IAS 32 and US GAAP.

ED/2011/1 deals with principles for offsetting financial assets and financial liabilities, and additional disclosures about financial assets and financial liabilities that would qualify for offsetting. The IASB does not intend to change the existing offsetting requirements in IAS 32, however, ED/2011/1 introduces new application guidance intended to clarify the principles for offsetting.

## Next steps

Comments on ED/2011/1 are due by 28 April 2011 and the next AASB meeting is on 27-28 April 2011. Consequently, staff propose that an AASB submission on ED/2011/1 be finalised out-of-session with the assistance of a subcommittee of AASB members.

## Attachments

Agenda paper 5.2 – Staff preliminary views on ED/2011/1 *Offsetting Financial Assets and Financial Liabilities*

Agenda paper 5.3 – IASB ED/2011/1 *Offsetting Financial Assets and Financial Liabilities*