



<b>To:</b>	<b>AASB members</b>	<b>Date:</b>	13 October 2010
<b>From:</b>	<b>Mischa Ginns and Maybelle Chia</b>	<b>Agenda Item:</b>	10.1
<b>Subject:</b>	<b>Annual improvement process – Proposals to amend the Due Process Handbook for the IASB</b>	<b>File:</b>	

## Action

To identify the:

- (a) Board's views on the IFRS Foundation Consultation Document *The annual improvements process: Proposals to amend the Due Process Handbook for the IASB*, for inclusion in the AASB's submission to the IFRS Foundation, and
- (b) process for finalising and approving the AASB submission.

## Background

In August 2010, the Trustees of the IFRS Foundation issued a Consultation Document *The annual improvements process: Proposals to amend the Due Process Handbook for the IASB* with comments requested by 30 November 2010. The AASB posted the IFRS Foundation Consultation Document on its website and requested constituents to comment directly to the IFRS Foundation. The Consultation Document was issued in response to views expressed by interested parties internationally on the absence of detailed criteria on the annual improvements process within the *Due Process Handbook for the IASB*, which makes it difficult to assess the appropriateness of amendments to IFRSs for inclusion in annual improvements.

## AASB staff analysis

AASB staff think the proposals in the Consultation Document are generally sufficient and appropriate and are likely to assist the IASB and interested parties in making assessments about the appropriateness of amendments to IFRSs for inclusion in annual improvements. However, AASB staff are concerned that the proposals:

- (a) do not explicitly include the criterion ‘non-urgent but necessary’ as part of annual improvements criteria;
- (b) use terminology that is not clearly described and may be inconsistently applied; and
- (c) only address the annual improvements process in the planning stage of the IASB’s standard-setting processes, and not in the other 5 stages.

## **Due process for finalising and approving AASB submission**

Comments on the IFRS Foundation Consultation Document are due by 30 November 2010. As the 27-28 October 2010 Board meeting is the only meeting prior to the comment date, the Board should consider how it would finalise the content of its submission to the IFRS Foundation.

AASB staff suggest that the AASB submission is finalised and approved by the Chairman out of session.

## **Attachments**

Agenda Paper 10.2	Issues paper – IFRS Foundation Consultation Document <i>The annual improvements process: Proposals to amend the Due Process Handbook for the IASB</i>
Agenda Paper 10.3	IFRS Foundation Consultation Document <i>The annual improvements process: Proposals to amend the Due Process Handbook for the IASB</i>
Agenda Paper 10.4	Due Process Handbook for the IASB (Approved by the Trustees October 2008)