



Memorandum

To:	Members of the AASB and the FRSB	Date:	18 October 2010
From:	Chris Neame, Maybelle Chia and Cameron Hall	Agenda Item:	B1.1
Subject:	Trans-Tasman Harmonisation Project - Proposals for the Remaining Phases	File:	

Action

1. The Australian Accounting Standards Board and the Financial Reporting Standards Board (the Boards) are asked to consider this memo, which outlines the remaining project phases and confirm the:
 - a. proposed outputs associated with this project (with particular focus on those issues raised in Agenda paper B1.3);
 - b. proposed timeline for the remaining phases of the trans-Tasman Convergence project; and
 - c. the proposed role of the subcommittee and Boards;

(A) Proposed outputs

2. Staff¹ propose the following outputs be developed to support the remaining project phases.
 - a. **Output 1:** a document that provides tentative recommendations for the Boards to consider, which outline how each proposal in the EDs² could be actioned [this document will draw on the comments from constituents and any comments that the Boards may provide on the raw feedback from constituents at the October 2010 joint meeting];
 - b. **Output 2:** a document that provides the final recommendations for the Boards to consider, which outlines how each proposal in EDs will be actioned;
 - c. **Output 3:** a document that contains the amendments to the relevant standards that are necessary to reflect the final recommendations as articulated in final Board approved version of Output 2; and
 - d. **Output 4:** [FRSB only] the submission to the Accounting Standards Review Board.
3. The timeline for the delivery of the outputs identified above is included in Appendix 1.

¹ Staff refers to the staff of the AASB and the FRSB unless stated otherwise.

² EDs refers to AASB Exposure Draft 200A/FRSB Exposure Draft 121 *Proposals to Harmonise Australian and New Zealand Standards in Relation to Entities Applying IFRSs as Adopted in Australia and New Zealand* and AASB Exposure Draft 200B/FRSB Exposure Draft 122 *Proposed Separate Disclosure Standards*.

4. Staff propose that:
 - a. Staff work jointly to develop Output 1 and Output 2; and
 - b. Staff work separately to develop Output 3, because drafting of the final amendments is specific to each jurisdiction.

5. <i>Do the Boards agree with the staff proposed outputs?</i>

(B) Proposed timeline

1. Refer to Appendix 1 to see a draft project timeline (the timeline includes consideration of the other matters mentioned in this memo).
2. The key dates in the timeline include the following:
 - a. 27-28 October 2010: Boards to consider and comment on raw feedback from constituents;
 - b. Mid-February 2011: final amendments to be approved by the Boards; and
 - c. 1 July 2011: proposed effective date for amendments to domestic standards.
3. FRSB staff propose that the submission to the Accounting Standards Review Board is approved in March 2011, to enable final approval before the transition to the XRB (New Zealand External Reporting Board).

4. <i>Do the Boards agree with the staff proposed timeline as outlined in Appendix 1?</i>
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(C) Proposed roles of the subcommittee and Boards

5. During the development of EDs, the subcommittee played a vital role in guiding and support the work of staff on behalf of the Boards. The six members of the subcommittee are Kevin Stevenson, Joanna Perry, Kris Peach, Brett Rix, Denise Hodgkins and Kimberly Crook.
6. Staff propose that the Boards ask the subcommittee to review and comment on Output 1, Output 2 and Output 3. As was the case during the development of the EDs, the subcommittee would perform a substantial component of the review with the Boards performing a fatal flaw review.
7. During the development of EDs, some members of the subcommittee were not able to perform their review or comment within the agreed timeframes agreed by the Boards. Staff propose that subcommittee members not responding within agreed timelines can be assumed to have no comments. This action is intended to prevent project slippage.
8. Successful progression of the timeline in Appendix 1 is dependent on the Boards substantively accepting the work of the sub-committee. Staff propose that the Boards conduct a fatal-flaw review and provide final approval for Output 1, Output 2 and Output 3.

9. <i>Do the Boards agree with the proposed role of the subcommittee and Boards?</i>

Attachments

Agenda Paper B1.2	Project Summary to Date
Agenda Paper B1.3	Issues Paper: Consideration of Key Comments from Submissions
Agenda Paper B1.4	Joint Collation – Specific Proposals
Agenda Paper B1.4	List of Australian Submissions
Agenda Paper B1.4	List of New Zealand Submissions
Agenda Paper B1.4	Joint Collation – Overall AASB/FRSB Questions



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Appendix 1

Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11
<p><i>8 Oct</i></p> <p>Closing date for submissions on ED 121 and ED 122</p>	<p><i>During month</i></p> <p>Staff to review comments from constituents and prepare a document that outlines draft recommendations for each proposal (Output 1)</p>	<p><i>Early-Dec</i></p> <p>Staff to finalise the recommendations for each proposal (Output 2)</p>	<p><i>During month</i></p> <p>Staff to develop draft amendments to the standards (Output 3)</p>	<p><i>Early-Feb</i></p> <p>Board to approve draft amendments to the standards (Output 3)</p>	<p><i>Early-Mar</i></p> <p>FRSB to consider the draft submission to the ASRB (Output 4)</p>				<p><i>1 Jul</i></p> <p>Proposed effective date for amendments</p>
	<p><i>Mid-Nov</i></p> <p>Sub committee to review draft staff recommendations for each proposal (Output 1)</p>	<p><i>During month</i></p> <p>Boards to approve final outcome for each proposal (Output 2)</p>		<p><i>Early-Mar</i></p> <p>Each board to approve final amendments to domestic standards</p>	<p><i>Mid- Mar</i></p> <p>FRSB to provide submission to the AASB (Output 4)</p>				
<p><i>27-28 Oct</i></p> <p>Joint Boards meeting</p> <ul style="list-style-type: none"> Consider raw feedback from constituents on ED 121 and ED 122 Approve staff proposed project plan 	<p><i>Late-Nov</i></p> <p>Boards to comment and approve draft staff recommendations for each proposal (Output 1)</p>		<p><i>Late-Jan</i></p> <p>Sub committee to review draft amendments to the standards (Output 3)</p>						