



<b>Project:</b>	<b>Other Business – Public</b>	<b>Meeting:</b>	April 2021 (M180)
<b>Topic:</b>	<b>Cover Memo</b>	<b>Agenda Item:</b>	13.0
		<b>Date of the Agenda Paper:</b>	1 April 2021
<b>Contact(s):</b>	Tom Liassis <a href="mailto:tliassis@asb.gov.au">tliassis@asb.gov.au</a>  Shachini Dassanayake <a href="mailto:sdassanayake@asb.gov.au">sdassanayake@asb.gov.au</a>  Clark Anstis <a href="mailto:canstis@asb.gov.au">canstis@asb.gov.au</a>	<b>Project Priority:</b>	n/a
		<b>Decision-Making:</b>	High
		<b>Project Status:</b>	n/a

### Objective of this paper

- 1 The objective of this paper is to inform the Board about matters under Other Business – Public. Action is required from the Board under agenda paper 13.1 (documents open for comment) and on one matter raised under 'IASB and IFRS IC Updates' (paper 13.3, to follow in a second mailout). Please refer to the tables below for details.

### OTHER BUSINESS – AASB SUBMISSIONS

Paper No.	Title	Staff comment	Board action
13.0.1	IASB ED/2020/4 <i>Lease Liability in a Sale and Leaseback</i>	AASB submission to the IASB was made on 29 March 2021, as approved out of session by the Chair.	Included for noting only. No action required at this meeting.

Paper No.	Title	Staff comment	Board action
13.0.2	IFRS Interpretations Committee Tentative Agenda Decision <i>Preparation of Financial Statements when an Entity is No Longer a Going Concern (IAS 10)</i>	AASB submission to the IFRS IC was made on 29 March 2021, as approved out of session by the Chair.	Included for noting only. No action required at this meeting.
13.0.8	Australian Government Treasury consultation paper <i>Increasing financial reporting thresholds for ACNC-registered charities</i>	AASB submission to the Australian Government Treasury consultation paper was made on 19 March 2021, as approved out of session by the Chair.	Included for noting only. No action required at this meeting.

#### OTHER BUSINESS – CORRESPONDENCE

Paper No.	Title	Staff comment	Board action
9.2	Submission received from HoTARAC	Heads of Treasuries Accounting and Reporting Advisory Committee (HoTARAC) made a submission to the ITC 43 <i>Post-Implementation of IFRS 10, 11 and 12</i> .	This submission will be discussed during Agenda Item 9.

#### OTHER BUSINESS – IASB AND IFRS IC UPDATES

Paper No.	Title	Staff comment	Board action
13.3 (TO FOLLOW)	New IASB Standard – Ballot draft of AASB equivalent for Board	The IASB issued <i>Covid-19-Related Rent Concessions beyond 30 June 2021</i> on 1 April 2021. Staff will prepare a ballot draft of the Australian-equivalent amending Standard, AASB 2021-X <i>Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021</i> , and the <u>ballot draft will be included in a second mailout (expected to be distributed to Board members on 14 April</u>	<b>Board members are requested to vote at the meeting</b> on AASB 2021-X <i>Covid-19-Related Rent</i>

Paper No.	Title	Staff comment	Board action
	voting (included in second mailout)	<p><u>2021). Board members will be asked to vote on the ballot draft in session at the April Board meeting.</u> This is due to the IASB’s mandatory effective date of periods beginning on or after 1 April 2021. The ballot draft will be distributed in a second mailout due to the timing of release of the Standard by the IASB.</p> <p>AASB 2021-X amends AASB 16 <i>Leases</i> to extend the availability of the practical expedient in paragraph 46A of AASB 16 by one year. The amendments result in the practical expedient applying to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.</p> <p>The IFRS amendments came after the IASB received feedback that lessees continue to face challenges accounting for rent concessions, given the continuing pandemic. Almost all stakeholders—including almost all users of financial statements—that provided feedback to the IASB on the amendments supported extending the availability of the practical expedient.</p> <p>The AASB issued ED 308 <i>Covid-19-Related Rent Concessions beyond 30 June 2021</i> in February 2021 with a 10-day comment period, due to the IASB’s 14-day comment period. ED 308 was discussed by the AASB at the February meeting. The AASB did not receive any submissions on ED 308 and did not submit a formal comment letter to the IASB. However, AASB staff provided informal feedback to IASB staff agreeing with the proposals.</p> <p>The IASB received a submission from one Australian stakeholder who agreed with the proposals.</p>	<i>Concessions beyond 30 June 2021</i>
13.0.3	Supplementary IASB Update February 2021	Staff do not consider there are any matters to raise with the IASB in relation to their decisions in their supplementary February meeting.	Included for noting only. No action required at this meeting
13.0.4	IASB Update February 2021	Staff do not consider there are any matters to raise with the IASB in relation to their decisions in their February meeting.	Included for noting only. No action required at this meeting

Paper No.	Title	Staff comment	Board action
13.0.5	Supplementary IASB Update March 2021	Staff do not consider there are any matters to raise with the IASB in relation to their decisions in their supplementary March meeting.	Included for noting only. No action required at this meeting
13.0.6	IFRS IC Update February 2021	<p>The AASB discussed the tentative agenda decisions arising from the IFRS IC's February meeting at the AASB's February meeting. The AASB decided to:</p> <ul style="list-style-type: none"> <li>• Make a submission on the <i>Preparation of Financial Statements when an Entity is No Longer a Going Concern</i> tentative agenda decision expressing support for the conclusions drawn in the tentative decision and noting the AASB's current project to gather evidence about the issues; and</li> <li>• Make a submission on the <i>Costs Necessary to Sell Inventories</i> tentative agenda decision, subject to feedback obtained from outreach activities. Following feedback received from targeted outreach when this paper was finalised, staff intend to prepare a submission to the IFRS IC expressing concerns about the tentative agenda decision as the conclusions appear to be inconsistent with current practice and may result in increased judgement about what costs should be included/excluded. The conclusion also appears to be inconsistent with the principles included in other IFRS Standards on similar accounting concepts. Staff will provide Board members with a verbal update on the submission at the April meeting.</li> </ul>	Included for noting only. No action required at this meeting
13.0.7	IFRS IC Update March 2021	Staff do not consider there are any matters to raise with the IASB in relation to the decisions in the IC March meeting.	Included for noting only. No action required at this meeting

## OTHER BUSINESS – DOCUMENTS OPEN FOR COMMENT

Item No.	Title	Staff comment	Board action
13.1	<b>Documents open for comment by other organisations</b>	This agenda paper lists new documents open for comment, for which the Board should decide whether to comment or to take other action. The paper also lists documents open for comment for which the Board has already made such decisions.	See agenda paper 13.1

## OTHER BUSINESS – IPSASB REPORT

Item No.	Title	Staff comment	Board action
13.2	IPSASB Report	Report on the March 2021 meeting of the IPSASB.	Note risks and opportunities for the AASB.

## OTHER BUSINESS – ARTICLES AND NEWS

Paper No.	Title	Content of item	Board action
N/A	<a href="#">IFRS Foundation Trustees announce working group to accelerate convergence in global sustainability reporting standards focused on enterprise value</a>	<p>The Trustees of the IFRS Foundation announced the formation of a working group to accelerate convergence in global sustainability reporting standards focused on enterprise value and to undertake technical preparation for a potential international sustainability reporting standards board under the governance of the IFRS Foundation.</p> <p>Specifically, the working group will provide technical recommendations, including further development of the prototype built on the TCFD recommendations, as a potential basis for the new board to build on existing initiatives and develop standards for climate-related reporting and other sustainability topics. The group will also review how technical expertise and content might potentially be transitioned to the new board under the IFRS Foundation’s governance structure, with a view to facilitating consolidation and reducing fragmentation in sustainability reporting standards.</p>	Included for noting only. No action required at this meeting

Paper No.	Title	Content of item	Board action
N/A	<a href="#">The IFRS Foundation is seeking two Trustees</a>	The Trustees of the IFRS Foundation announced that they are seeking two Trustees: one from the Americas and one from the Asia-Oceania region, both to commence on 1 January 2022. The appointments will be for a period of three years. All terms may be renewed for three further years.	Included for noting only. No action required at this meeting

#### OTHER BUSINESS – OTHER

Item No.	Topic	Staff comment	Board action
N/A	<a href="#">Perspective Paper on ESG and Business Valuation</a>	The International Valuation Standards Council issued a Perspective Paper on <i>Environmental, Social, and Governance (ESG) and Business Valuation</i> in March 2021. The objective of this paper is to initiate discussion and debate on the topic of ESG in business valuation.	Included for noting only. No action required at this meeting