



<b>Project:</b>	<b>Other Business – Public</b>	<b>Meeting:</b>	September 2022 (M190)
<b>Topic:</b>	<b>Cover Memo</b>	<b>Agenda Item:</b>	6.1
		<b>Date of the Agenda Paper:</b>	5 September 2022
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		<b>Decision-Making:</b>	None
		<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. **No action is required from the Board on any of the items in this memo, they are included for noting only.** Please refer to the tables below for details.

## AASB SUBMISSIONS

Paper No.	Title	Staff comment	Board action
N/A	<a href="#"><u>AASB submission to ISSB Exposure Drafts on [Draft] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and [Draft] IFRS S2 Climate-related Disclosures</u></a>	The AASB submission to the ISSB was lodged on 28 July 2022. The submission was finalised out of session by the nominated AASB sub-committee.	Included for noting only. No action required at this meeting.
N/A	<a href="#"><u>AASB submission to Exposure Draft on Australian Charities and Not-for-profits Commission Regulations 2022</u></a>	The AASB submission to the Treasury was lodged on 11 August 2022. The submission was finalised out of session by the nominated AASB sub-committee.	Included for noting only. No action required at this meeting.

## CORRESPONDENCE

Paper No.	Title	Staff comment	Board action
N/A			

## IASB AND IFRS IC UPDATES

Paper No.	Title	Staff comment	Board action
N/A	<a href="#">IASB Update July 2022</a>	<p>At its July meeting the IASB made the following decisions:</p> <p><i>Post-implementation Review of IFRS 9 – Classification and Measurement</i></p> <p>The IASB decided to add a standard-setting project to its research pipeline to clarify the requirements in IFRS 9 for modification of financial assets and liabilities and applying the effective interest method.</p> <p><i>Non-current Liabilities with Covenants</i></p> <p>The IASB tentatively decided:</p> <ul style="list-style-type: none"> <li>to require entities to apply the amendments to IAS 1 <i>Presentation of Financial Statements</i> for annual reporting periods beginning on or after 1 January 2024;</li> <li>not to re-expose the amendments.</li> </ul> <p>The IASB expects to issue the amendments in the fourth quarter of 2022.</p>	Included for noting only. No action required at this meeting.
N/A	<a href="#">Addendum to the June IFRIC Update</a>	<p>In the addendum to the June IFRIC Update, the IFRIC discussed the following matters and decided not to add standard-setting projects to the work plan.</p> <ul style="list-style-type: none"> <li>Negative Low Emission Vehicle Credits</li> <li>Special Purpose Acquisition Companies (SPAC): Classification of Public Shares as Financial Liabilities or Equity</li> <li>Transfer of Insurance Coverage under a Group of Annuity Contracts</li> </ul>	Included for noting only. No action required at this meeting.

## ISSB UPDATES

Paper No.	Title	Staff comment	Board action
N/A	<a href="#">ISSB Update July 2022</a>	<p>The ISSB met to discuss:</p> <ul style="list-style-type: none"> <li>initial feedback on the Exposure Drafts on [Draft] IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i> and [Draft] IFRS S2 <i>Climate-related Disclosures</i>; and</li> <li>its approach to preparing a request for information to consult the public on its agenda priorities.</li> </ul>	Included for noting only. No action required at this meeting.

## IPSASB REPORT

Paper No.	Title	Staff comment	Board action
N/A			

## ARTICLES AND NEWS

Paper No.	Title	Content of item	Board action
N/A	<a href="#">Reviewing Charities' Financial Information and Financial Reports - 2020</a>	<p>The ACNC published its annual review of information submitted by 250 charities in its 2020 Annual Information Statement and Annual Financial Report. Of the 250 charities, 59% were large and 41% medium charities.<sup>1</sup> 87% of medium charities prepared special purpose financial statements (SPFS) compared to 58% of large charities that prepared SPFS. The review also indicated that 21% of SPFS included some sort of voluntary disclosures about related party transactions. No charities in the sample voluntarily adopted AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-profit and Not-for-Profit Tier 2 Entities</i>.</p> <p>45% of SPFS preparers included some sort of disclosure note about compliance with the recognition and measurement requirements required under AASB 1054 <i>Australian Additional Disclosures</i>.</p>	Included for noting only. No action required at this meeting.

<sup>1</sup> Reporting thresholds increased from 2021-22 financial year. The size of small charities increased to less than \$500,000 in annual revenue and medium-sized charities increased to less than \$3 million in annual revenue.

Paper No.	Title	Content of item	Board action
		This was the first year that AASB 2019 - 4 was mandatory.	
N/A	<a href="#">Financial reporting and audit: Frequently asked questions (FAQs)</a>	ASIC has issued an FAQ to support Australian financial services (AFS) licensees with the preparation of general purpose financial statements following changes to the accounting standards and the transition relief recently provided to licensees by ASIC.	Included for noting only. No action required at this meeting.
N/A	<a href="#">ASIC to extend deadlines for 30 June 2022 unlisted entity financial reports</a>	<p>ASIC will extend the deadline for unlisted entities to lodge financial reports by one month for balance dates from 24 June 2022 to 7 July 2022 (inclusive). The extended deadlines will assist with any pressures on resources for the financial reporting and audits of smaller entities and provide adequate time for the completion of the audit process considering challenges presented by COVID-19 conditions.</p> <p>ASIC will continue to monitor how market conditions and related developments are affecting financial reporting and audit obligations for balance dates after 7 July 2022. At present, there is no indication that further extensions of time will be necessary.</p>	Included for noting only. No action required at this meeting.
N/A	<a href="#">Rich Lister accounts face scrutiny as loophole closes</a>	Recent changes to the Corporations Act mean that 'grandfathered' entities will no longer be exempt from lodging financial statements with ASIC under the <i>Corporations Act 2001</i> . Instead, 'grandfathered' entities will be treated the same as any other proprietary company and must lodge financial statements on the public record with ASIC if they are 'large' (subject to not be eligible to other exemptions or relief provided by ASIC). The amendments are effective for financial years ending on or after 10 August 2022.	Included for noting only. No action required at this meeting.
N/A	<a href="#">OECD's plan for multinationals' tax avoidance</a>	<p>Known colloquially as BEPS 2.0, this package follows on from the OECD's 2015 base erosion and profit shifting (BEPS) program of international tax reform to deal with profit shifting, cross border tax arbitrage and tax transparency. The two-pillar BEPS 2.0 agreement is gaining wide international support.</p> <p>Under the agreement, accounting profit figures will be the basis for determining multinationals' tax liabilities. AASB Chair Dr</p>	Included for noting only. No action required at this meeting.

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		<p>Keith Kendall is quoted in the article questioning the move.</p> <p>Although BEPS 2.0 isn't likely to come into effect until 2024, some jurisdictions are already reassessing their tax rates and incentive schemes.</p>	
N/A	<a href="#">G100 Discount Rate</a>	<p>The Group of 100 (G100) commissioned Milliman to develop a standardised set of discount rates for the purpose of discounting employee benefit liabilities under AASB 119 <i>Employee Benefits</i>.</p> <p>The G100 Discount Rate is the result of a research paper assessing whether the Australian corporate bond market meets the requirements as outlined in AASB119, it determines a methodology to derive a full discount rate curve allowing for possible limitations in available market data.</p> <p>Previously the Milliman report was publicly available, updated frequently and widely used, however it is now only available to members of the G100.</p>	Included for noting only. No action required at this meeting.
N/A	<a href="#">SEC Staff Accounting Bulletin No. 121</a>	<p>The SEC recently issued an interpretation for crypto brokers and exchanges addressing the accounting treatment of crypto assets and liabilities. The interpretation caused a significant restatement to the financial statements of a US crypto exchange entity.</p> <p>The interpretation addresses both FASB and IFRS Standards.</p>	Included for noting only. No action required at this meeting.
N/A	<a href="#">Queensland Reforms Cut Red Tape For Registered Charities</a>	<p>Fundraising charities in Queensland which are registered with the ACNC are now only required to report information about their fundraising activities to the ACNC in their Annual Information Statement.</p> <p>Furthermore, Queensland incorporated associations can now report once to the ACNC and this will satisfy their reporting obligations to the Queensland regulator.</p> <p>All Australian charities can now submit their 2022 Annual Information Statement to the ACNC.</p>	Included for noting only. No action required at this meeting.
N/A	<a href="#">ISSB appointed 3 new board members</a>	<p>The IFRS Foundation Trustees have appointed 3 new members to the ISSB - Jenny Bofinger-Schuster (Senior Vice President for sustainability in Siemens), Hiroshi Komori</p>	Included for noting only. No action required at this meeting.

Paper No.	Title	Content of item	Board action
		(Senior Director and Head of the Stewardship and ESG Division at the Government Pension Investment Fund ) and Veronika Pountcheva (Senior Vice President of corporate responsibility in METRO). The appointments bring the membership to 13.	
N/A	<a href="#">IFRS Foundation announces second ISSB Vice-Chair</a>	The IFRS Foundation Trustees have completed the recruitment of members to the International Sustainability Standards Board (ISSB) with the appointment of Jingdong Hua as a second Vice-Chair, effective October 2022.	Included for noting only. No action required at this meeting.

#### DOMESTIC EXPOSURE DRAFTS ISSUED BY THE AASB

Paper No.	Topic	Staff comment	Board action
N/A			

#### OTHER

Paper No.	Topic	Staff comment	Board action
N/A			