



Project:	Other Business – Public	Meeting:	December 2022 (M192)
Topic:	Cover Memo	Agenda Item:	11.1
		Date of the Agenda Paper:	28 November 2022
Contact(s):	Kimberley Carney kcarney@asb.gov.au Clark Anstis canstis@asb.gov.au	Project Priority:	n/a
		Decision-Making:	Low
		Project Status:	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
None			

CORRESPONDENCE

Paper No.	Title	Staff comment	Board action
11.2	Letter from CPA Australia dated 4 October 2022	CPA Australia shared concerns about the development of digital assets and suggested the Board add digital assets project to the work program. Agenda Paper 9.1 addresses the letter.	No action is required.

IASB AND IFRS IC UPDATES

Paper No.	Title	Staff comment	Board action
N/A	IASB Update November 2022	Staff highlight the following item for Board consideration: <i>Goodwill and Impairment</i> The IASB tentatively decided to maintain its preliminary view to retain the impairment-	Included for noting only. No action required at this meeting.

Paper No.	Title	Staff comment	Board action
		<p>only model for the subsequent accounting for goodwill.</p> <p><i>International Tax Reform —Pillar Two Model Rules: Potential standard-setting project¹</i></p> <p>The IASB has tentatively decided to introduce the following amendments to IAS 12 <i>Income Taxes</i>:</p> <ul style="list-style-type: none"> • a temporary exception from accounting for deferred taxes arising the implementation of the OECD’s Pillar Two model rules (including any qualified domestic minimum top-up tax); and • targeted disclosure requirements for affected companies. <p>The IASB tentatively decided to allow a comment period of 60 days for the exposure draft on its proposed amendments to IAS 12.</p> <p><i>Supplier Finance Arrangements</i></p> <p>The IASB tentatively decided:</p> <ul style="list-style-type: none"> • to retain its current approach to this narrow-scope, disclosure-only project; and • to proceed with the proposal to add disclosure requirements about supplier finance arrangements to IFRS Accounting Standards. 	
N/A	IASB Update October 2022	<p>Staff highlight the following item for Board consideration:</p> <p><i>Disclosure Initiative – Targeted Standards-level Review of Disclosures</i></p> <p>The IASB decided:</p> <ul style="list-style-type: none"> • to use the methods proposed in the Exposure Draft for developing disclosure requirements. • to use a ‘middle ground’ approach to drafting disclosure requirements, which would involve: <ul style="list-style-type: none"> ○ providing context-setting, non-prescriptive overall disclosure objectives that describe the overall information needs of users of financial statements; ○ not including a cross-reference to paragraph 31 (i.e. an entity shall 	Included for noting only. No action required at this meeting.

1 See page 8 of the Agenda Paper 10.1 *Documents open for comments by other organisations* (M192) for more detail.

Paper No.	Title	Staff comment	Board action
		<p>provide information that is material to financial statements users' decision-making) of IAS 1 <i>Presentation of Financial Statements</i> at the beginning of the disclosure section of each IFRS Accounting Standard;</p> <ul style="list-style-type: none"> ○ requiring an entity to comply with specific disclosure objectives that describe the detailed information needs of users of financial statements; ○ supporting a specific disclosure objective with explanations of the assessments that users make that rely on information an entity discloses by applying the specific disclosure objective; ○ using prescriptive language when referring to items of information that an entity is required to disclose to meet a specific disclosure objective, subject to the requirements of paragraph 31 of IAS 1 <ul style="list-style-type: none"> ● to document the methods for developing disclosure requirements and the approach to drafting them (Guidance for the Board), and publish the document on the IFRS Foundation website ● to not proceed with any further work on the disclosure requirements in IFRS 13 <i>Fair Value Measurement</i> and IAS 19 <i>Employee Benefits</i>. <p>The IASB will publish the Guidance for the Board at a future date.</p>	
N/A	Addendum to the September 2022 IFRIC Update	Staff do not consider there are any further matters to raise in relation to the Addendum of the September 2022 IFRIC Update.	Included for noting only. No action required at this meeting.

ISSB UPDATES

Paper No.	Title	Staff comment	Board action
N/A	November ISSB Update	<p>The ISSB met on 15-16 November 2022 and continued redeliberations on some of the proposals in 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>. The ISSB discussed the following topics:</p> <ul style="list-style-type: none"> • Current and anticipated financial effects and connected information; • Comparative information and updated estimates; • Timing of reporting; • Strategy and decision-making and climate-related targets; and • IFRS Sustainability Disclosure Taxonomy. 	Included for noting only. No action required at this meeting. (See also Agenda Paper 5.1 for <i>Sustainability Reporting: Update on international and jurisdictional perspectives</i>)

IPSASB REPORT

Paper No.	Title	Staff comment	Board action
N/A			

ARTICLES AND NEWS

Paper No.	Title	Content of item	Board action
N/A	G100 Discount Rate	<p>As mentioned at the September AASB meeting, the Group of 100 (G100) Milliman Discount Rate report will no longer publicly available from September 2022. The Discount Rate will be available to G100 Members via the Members Portal on the G100 website.</p> <p>Following the September meeting, organisations not wishing to join the G100 can purchase the discount report each month, or for specific time periods.</p> <p>Small charities and not-for-profit entities can also access the report free of charge.</p>	Included for noting only. No action required at this meeting.
N/A	The IPSASB has announced new board appointments for 2023	<p>The new appointees to the IPSASB have been selected following a rigorous nominations and interview process involving the IFAC Nominating Committee and IPSASB leadership, overseen by the Public Interest Committee. The IFAC Board approved the recommended candidates.</p> <p>The new Board members are:</p>	Included for noting only. No action required at this meeting.

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		<ul style="list-style-type: none"> • Mrs. Nor Yati Ahmad (Malaysia), • Mr. Andrew van der Burgh (South Africa), and • Mr. Jona Wala (Kenya). <p>The re-appointed Board members are:</p> <ul style="list-style-type: none"> • Dr. Kamira Muriel Sanchez Nicosia (Panama), • Mr. Scott Showalter (USA), and • Mrs. Patricia Siqueira Varela (Brazil). 	
N/A	Government accounting standards boards 'captured' by big four	<p>The Financial Reporting Council (FRC) has appointed five senior partners from the big four accounting firms to its auditing and accounting professional standards' boards, sparking concerns about conflicts of interest and regulatory capture.</p> <p>But the council has rejected the allegations, saying the new members were hired for their sustainability expertise as the boards face the "very big task" of setting up climate risk reporting standards.</p> <p>The council advises the government on the quality of firms' work, and is supposed to be independent.</p>	Included for noting only. No action required at this meeting.
N/A	Amendments to IAS 1 and the Impact on the ISAs: Disclosure of Material Accounting Policy Information	<p><i>Amendments to IAS 1 and the Impact on the ISAs: Disclosure of Material Accounting Policy Information</i> has been developed by the International Auditing and Assurance Standards Board's IASB Liaison Working Group to address the impact on the International Standards on Auditing of certain narrow-scope amendments made by the IASB to IAS 1 <i>Presentation of Financial Statements</i>.</p>	Included for noting only. No action required at this meeting.
N/A	IFASS report	<p>The IFASS meeting was held on 27-28 September 2022 with both in-person and remote participation. The AASB chair participated in a panel discussion on IFRS S2 – <i>Climate-related Financial Disclosures</i>.</p> <p>AASB staff also presented at the IFASS conference on the process and findings relating to PIR on IFRS 9, with a focus on contractual cash flow characteristics and equity financial instruments measured at fair value through other comprehensive income (FVOCI), and preliminary findings regarding the impairment of financial assets.</p>	Included for noting only. No action required at this meeting.
N/A	Australian Government announces new	<p>Sue Woodward AM has been appointed as Commissioner of the Australian Charities and Not-for-profits Commission (ACNC) for a five-</p>	Included for noting only. No

Paper No.	Title	Content of item	Board action
	ACNC Commissioner	year period commencing on 12 December, 2022.	action required at this meeting.
N/A	New sustainability guide for not-for-profits and charities	A new playbook by Chartered Accountants ANZ outlines how NFPs can deliver on their purpose and enhance their financial sustainability by considering sustainability-related issues within their operations and supply chains. It also highlights how this can improve their appeal to funders, employees and volunteers and strengthen their resilience.	Included for noting only. No action required at this meeting.
N/A	Simplifying NFP reporting	The article mentions that the AASB has issued proposals for a standalone Tier 3 reporting standard for NFPs and is seeking feedback on the proposals.	Included for noting only. No action required at this meeting.
N/A	ASIC reports on audit inspection findings for 12 months to 30 June 2022	ASIC has reported on the results from its audit firm inspections of 45 audit files across 14 firms (which included one large unlisted entity file at each of the largest six firms) in the 12 months to 30 June 2022. The audit files were selected from a population of over 2,100 companies listed on the ASX and large unlisted entities audited by the largest six firms.	Included for noting only. No action required at this meeting.
N/A	Task Force on Climate-related Financial Disclosures (TCFD) Implementation: An Overview and Insights from the Australian Accounting Standards Board Dialogue Series	The article provides an overview of recent developments and the regulatory position on sustainability reporting in Australia. It summarises practical challenges and opportunities pertinent to scenario analysis and disclosures in the Task Force on Climate-Related Financial Disclosures (TCFD) implementation discussed at the March 2022 Australian Accounting Standards Board (AASB) Dialogue Series session.	Included for noting only. No action required at this meeting.

DOMESTIC PROPOSAL DOCUMENTS ISSUED BY THE AASB

Paper No.	Title	Staff comment	Board action
N/A	ITC 50 Post-implementation Review – Income of Not-for-Profit Entities	The AASB issued ITC 50 and ITC 51 in November and is seeking feedback from stakeholders to assist its assessment of whether certain requirements of Australian Accounting Standards that apply to not-for-profit public and private sector entities	Included for noting only. No action required at this meeting.

Paper No.	Title	Staff comment	Board action
	<u>ITC 51 Post-implementation Review of Not-for-Profit Topics – Control, Structured Entities, Related Party Disclosures and Basis of Preparation of Special Purpose Financial Statements</u>	<p>continue to meet their original objectives, including whether the requirements remain appropriate.</p> <p>ITC 50 and ITC 51 are open for comment until 31 March 2023.</p>	