



| | | | |
|--------------------|--|--------------------------|------------------|
| Project: | Other Business – Public | Meeting: | June 2020 (M176) |
| Topic: | Cover Memo | Agenda Item: | 10 |
| Contact(s): | Helena Simkova hsimkova@asb.gov.au 03 9617 7642 | 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 these matters except for item **10.3.5** where the Board’s decision is required. Please refer to table below for details.

OTHER BUSINESS – AASB SUBMISSIONS

| Paper No. | Title | Staff comment | Board action |
|-----------|---|---|---|
| 10.1.1 | Informal staff submission to IASB on Covid-19-related rent concession | AASB staff made an informal submission to IASB staff on the ED/2020/2 <i>Covid-19-Related Rent Concessions (Proposed amendment to IFRS 16.)</i> The submission summarised the feedback collected from Australian stakeholders. Considering the urgency of the issue and short two weeks comment period, the informal submission allowed the AASB staff to reduce preparation time and | Included for noting only. No action required at this meeting. |

| Paper No. | Title | Staff comment | Board action |
|-----------|-------|--|--------------|
| | | <p>allow more time for collecting the feedback. This approach was discussed with the Board at its April 2020 meeting.</p> <p>Australian stakeholders' feedback included comment letters submitted to AASB, targeted outreach and feedback submitted via online survey.</p> | |

OTHER BUSINESS – CORRESPONDENCE

| Paper No. | Title | Staff comment | Board action |
|-----------|-------|---------------|--------------|
| N/a | None | | |

OTHER BUSINESS – IASB and IFRS IC UPDATES

| Paper No. | Title | Staff comment | Board action |
|-----------|---|---|---|
| 10.3.1 | Supplementary IASB update April 2020 – impact of covid-19 | In light of COVID-19 the IASB decided to issue an exposure draft proposing to defer the effective date of <i>Classification of Liabilities as Current or non-Current</i> , which amends IAS1, to annual periods beginning on or after 1 January 2023. | Included for noting only. No action required at this meeting. |
| 10.3.2 | IASB Update April 2020 | Staff do not consider there are any matters to raise with the IASB in relation to their decisions in their April meeting. | Included for noting only. No action required at this meeting. |
| 10.3.3 | Supplementary IASB update May 2020 – Covid-19-related matters | IASB considered the feedback received on ED COVID-19 Related Rent Concessions and decided not to provide similar relief to lessors. | Included for noting only. No action required at this meeting. |
| 10.3.4 | IASB Update May 2020 | Staff do not consider there are any matters to raise in relation to IASB May meeting. | Included for noting only. No action required at this meeting. |

| Paper No. | Title | Staff comment | Board action |
|-----------|---|--|---|
| 10.3.5 | IASB package of narrow-scope amendments | <p>Staff wanted to highlight that the IASB has recently issued amendments to the following standards:</p> <p>Amendments to IAS 16 <i>Property, Plant and Equipment</i> which clarifies accounting requirements for proceeds received from selling items produced while testing an item of PPE before its intended use. The amendment will require recognition of such sales proceeds and related cost in profit or loss and separate disclosure for the sale of items that are not part of the entity’s ordinary activities and related production costs.</p> <p>Tier 2 and potential amendment to AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i> consideration:</p> <ul style="list-style-type: none"> • The accounting for proceeds before intended use is not addressed in IFRS for SMEs. • The clarification does not give rise to any R&M differences. <p>Using the principles for adding new disclosures discussed in staff paper 3.2 (ie. existence of significant R&M differences), staff suggest not to amend AASB 1060 to include the new disclosure. Staff also noted that the new disclosure is unlikely to be significant since the new disclosure only applies where the items are not an output of the entity’s ordinary activities</p> <p>Amendments to IFRS 3 <i>Business Combinations</i> Updates a reference in IFRS 3 to previous framework with reference to the current framework. No change to disclosures proposed.</p> <p>Amendments to IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i></p> | <p>Does the Board agree with staff suggestion not to amend AASB 1060 to include the new disclosures introduced by Amendments to IAS 16?</p> <p>The remaining amendments neither change the current disclosures nor give rise to R&M requirements difference, therefore no amendment is required to AASB 1060.</p> |

| Paper No. | Title | Staff comment | Board action |
|-----------|-------|---|--------------|
| | | <p>Clarifies which costs to include when determining the cost of fulfilling a contract. No change to disclosures proposed.</p> <p>Annual Improvements 2018 – 2020 Makes minor amendments to IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i>, IFRS 9 <i>Financial Instruments</i>, IAS 41 <i>Agriculture</i> and the Illustrative Examples accompanying IFRS 16 <i>Leases</i>. No change to disclosures proposed.</p> <p>All the suggested amendments listed above have an effective date from 1 January 2022 which is after the removal of RDR. Therefore, no impact on RDR.</p> | |

OTHER BUSINESS – ARTICLES AND NEWS

| Paper No. | Title | Staff comment | Board action |
|-----------|-------|---------------|--------------|
| | None | | Included |

OTHER BUSINESS

| Item No. | Title | Staff comment | Board action |
|----------|-------|---------------|--------------|
| | None | | |