



<b>Project:</b>	n/a	<b>Meeting</b>	September 2019 (M172)
<b>Topic:</b>	<b>Documents open for comment by other organisations</b>	<b>Agenda Item:</b>	26.0
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		<b>Project Priority:</b>	Low
		<b>Decision-Making:</b>	Low
		<b>Project Status:</b>	n/a

## Objective of this paper

- 1 The objective of this paper is to:
  - (a) inform the Board about consultative documents already issued or to be issued by other international standard setting bodies; and
  - (b) ask the Board to decide which consultative documents to provide feedback/comments on.

## Reasons for bringing this paper to the Board

- 2 The Board's strategy is to influence the work of the International Accounting Standards Board (IASB), International Public Sector Accounting Standards Board (IPSASB) and other relevant international organisations with a goal of having the principles in the Standards issued by these organisations aligned, where relevant and possible.
- 3 Historically, the Board has decided on which consultation documents to comment on based on factors like the relevance and importance of the consultation to the AASB's projects and strategies, the potential impact of the proposals on Australian constituents and priority of projects as decided by the Board. This agenda paper will assist the Board in prioritising and deciding on which consultation documents it should comment on.

Originating organisation	Document	Date of release	AOSSG input	Comments due	Staff recommendation for AASB approach
IASB	ED/2019/3 Reference to the <i>Conceptual Framework</i> (Proposed amendments to IFRS 3)	May 19	N/A	to IASB 27 Sept to AASB 20 Aug	<p>ED/2019/3 (AASB equivalent ED 290) proposes narrow-scope amendments to AASB 3 <i>Business Combinations</i> to update the old <i>Framework</i> reference to the <i>Conceptual Framework for Financial Reporting</i>. Further amendments are proposed to avoid recognising liabilities in a business combination in accordance with the liability definition of the <i>Conceptual Framework</i> that would then have to be derecognised under AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i> or Interpretation 21 <i>Levies</i>. This additional exception in IFRS 3 would mean that the only liabilities recognised on acquisition would be those that qualify for recognition in accordance with AASB 137 or Interpretation 21 if incurred separately.</p> <p>The proposed amendment does not reflect the feedback submitted by AASB staff via the AOSSG to the IASB during outreach in developing the proposals. However, staff recommend that the Board does not comment on this ED as the amendments proposed in the ED would not change the liabilities and contingent liabilities that would be recognised in a business combination. Staff are not aware of any concerns of stakeholders on the proposed amendments – the AASB did not receive any submissions on this ED.</p> <p>Note to the Board – the NZASB does not intend to submit any comment to this ED.</p>

IASB	Draft SMEIG Q&A IFRS for SMEs Standard (Implementation Group Draft Q&A Section 35, Issue 1)	Aug 19	N/A	to IASB 7 Oct	The draft Q&A provides guidance on the measurement of investment properties when transitioning to the IFRS for SMEs Standard. As it does not affect any of the disclosures, it is not relevant to Australian entities.  Staff recommend that the Board does not comment on the draft Q&A.
IASB	ED/2019/5 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	July 19	N/A	to IASB 14 Nov to AASB 18 Oct	ED/2019/5 (AASB equivalent ED 294) proposes an amendment to the initial recognition exemption in IAS 12. This would require entities recognising a deferred tax asset and offsetting deferred tax liability for transactions such as leases or decommissioning obligations which result in the recognition of an asset and a liability of equal amount, but tax deductions are only received when subsequent payments are made. There is currently diversity in practice as to how such transactions are accounted for under the income tax standard.  Subject to any significant feedback received post Board meeting, staff recommend that the Board does not comment to the IASB on this ED as the proposed amendments are clarifications to remove diversity and staff are not aware of any major concerns from Australian constituents on the proposals.  Note to the Board – NZASB does not intend to submit any comment to this ED.
IASB	ED/2019/6 Disclosure of Accounting Policies (Proposed amendments to IAS 1	Aug 19	N/A	to IASB 29 Nov to AASB 28 Oct	IASB ED/2019/6 (AASB equivalent ED 296) proposes narrow-scope amendments to IAS 1 <i>Presentation of Financial Statements</i> and IFRS Practice Statement 2 <i>Making Materiality Judgments</i> to help entities provide

	and IFRS Practice Statement 2)				<p>useful accounting policy disclosures to users of financial statements. The proposal is to amend IAS 1 to require entities to disclose their material accounting policies rather than their significant accounting policies as not all accounting policies that relate to material transactions are themselves material to the financial statements. The objective is to help stakeholders improve the usefulness of disclosures for the primary users of financial statements.</p> <p>NZ ASB staff recommend to Board to express concerns about the statement that “not all accounting policies relating to material transactions are themselves material” .... According to their view the information about an accounting policy for a material transaction can still be material even if no choices or judgements were involved. For example, information about how an entity has applied IFRS requirements to its own facts and circumstances could be material to the understanding of a particular transaction. In addition, the users of financial information may not be IFRS experts. The proposed wording is: “<u>not all information about</u> accounting policies relating to material transactions....”.</p> <p>AASB Staff concluded that the additional guidance provided in 117B on how to assess whether an accounting policy is material, is sufficient. AASB Staff recommend that the Board does not comment to the IASB on this ED (subject to any significant feedback received post Board meeting), given the proposals are</p>
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					non-controversial and staff are not aware of any major concerns from constituents on the proposals.
IPSASB	ED 68, Improvements to IPSAS, 2019	July 2019	N/A	30 September 2019	<p>This ED proposes non-substantive changes to IPSAS to improve consistency within IPSAS, including amendments to IPSAS resulting from IPSAS 41, <i>Financial Instruments</i>.</p> <p>Since there are no substantive changes to the requirements in IPSAS, staff recommend that the Board does not comment to the IPSASB on this ED.</p>
IPSASB	ED 69, Public Sector Financial Instruments: Amendments to IPSAS 41, <i>Financial Instruments</i>	August 2019	N/A	31 December 2019	<p>This ED proposes additional non-authoritative guidance in IPSAS 41, <i>Financial Instruments</i>, to clarify the requirements for classifying, recognising and measuring:</p> <ul style="list-style-type: none"> <li>• Monetary gold;</li> <li>• Currency in circulation;</li> <li>• International Monetary Fund (IMF) quota subscriptions; and</li> <li>• IMF Special Drawing Rights (SDRs).</li> </ul> <p>Staff are of the view that the accounting treatment of these financial instruments would be applicable only to the Federal Government, so the Department of Finance might wish to comment to the IPSASB.</p> <p>The ED proposes only non-authoritative guidance to clarify that the Financial Instruments Standard does apply to currency, IMF quota subscriptions and SDRs and that it is appropriate to account for monetary gold by applying the financial asset principles under certain</p>

					circumstances. Staff recommend that the Board does not comment to the IPSASB on this ED.
International Valuation Standards Council (IVSC)	<i>IVS Financial Instruments Agenda Consultation 2019</i>	7 August 2019	N/A	19 September 2019	<p>Staff recommend that the Board does not comment to the IVSC. This is because this Invitation to Comment is an agenda consultation to obtain stakeholder feedback regarding the approach the newly established Financial Instruments Board should take and the prioritisation of work, and not a technical discussion on valuation approaches. Note to the Board – the NZASB does not intend to submit any comment to this ED.</p> <p>Note to the Board – the NZASB does not intend to submit any comment to this ED.</p>

### Questions to the Board

1. Does the Board agree with the above staff recommendations?
2. Does the Board have any other comments?