



Project:	n/a	Meeting	June 2019 (M171)
Topic:	Documents open for comment by other organisations	Agenda Item:	7.0
		Date:	30 May 2019
Contact(s):	Helena Simkova hsimkova@asb.gov.au 03 9617 7618 Thomas Liassis tliassis@asb.gov.au 03 9617 7636	Project Priority:	Low
		Decision-Making:	Low
		Project Status:	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	IASB Exposure Draft ED/2019/1: Interest Rate Benchmark Reform Proposed amendments to IFRS 9 and IAS 39 (Agenda paper 7.1)	03 May	Feedback from AOSSG members on whether a submission should be provided closes on 31 May	to IASB - 17 June to AASB – 31 May	<p>Staff recommend that the Board provides high level feedback to the IASB to expedite their work on the <i>IBOR Reform and its Effects on Financial Reporting</i> project as Australian constituents would like the IASB to:</p> <ul style="list-style-type: none"> • expedite first phase proposals addressing the pre-implementation issues; and • address the post-implementation issues as soon as possible concurrently with the finalisation of the first phase proposals. <p>The feedback received so far on the specific proposals of ED/2019/1 has been supportive with some minor clarification points requested by a couple of constituents (e.g. whether the relief proposed is available for hedging with cross-currency swaps (if impacted by the benchmark reform)). These constituents plan to submit their comments directly to the IASB and as such, staff do not recommend that the Board provides comments to the IASB on the specific proposals of the ED. This is subject to any significant issues raised in submissions to the AASB post the date of this staff paper.</p> <p>Agenda paper 7.2 Draft Comment Letter to the IASB will be included in the 2nd mail out (as mentioned above,</p>

					this will be to encourage the IASB to expedite the project and move to phase 2 quickly).
IFRS Foundation	IASB Exposure Draft: Proposed amendments to the IFRS Foundation Due Process Handbook (Agenda paper 7.3)	April	N/A	29 July	In this ED, the Trustees of the IFRS Foundation have reviewed the Handbook and proposed amendments to ensure it is up-to-date in light of the activities of the Board and Interpretations Committee, remains fit for purpose and continues to reflect best practice. Staff recommend that the Board does not comment to the IASB. Staff are of the view that the proposals do not appear to be objectionable.
IASB	IASB Exposure Draft ED/2019/2: Annual Improvements to IFRS Standards 2018–2020 (IFRS 1, IFRS 9, IFRS 16 and IAS 41) (Agenda paper 7.4)	21 May	N/A	20 August	The IASB’s Annual Improvements process provides a mechanism for dealing efficiently with a collection of minor amendments to IFRS Standards. IASB ED/2019/2 proposes minor amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 as part of its maintenance and improvements of these Standards. Staff recommend the Board does not comment to the IASB on this ED as the proposals are minor and non-controversial and staff are not aware of any concerns raised by Australian stakeholders when the issues addressed in this ED were discussed by IFRS Interpretation Committee (IFRIC).
IASB	Exposure Draft: Updating a Reference to the Conceptual Framework	Expected in June 2019	N/A	N/A	The IASB are expected to publish an Exposure Draft shortly which proposes to amend paragraph 11 of IFRS 3 <i>Business Combinations</i> so it refers to the <i>Conceptual Framework for Financial Reporting</i> (RCF) rather than the

	(Amendments to IFRS 3)			<p><i>Framework for the Preparation and Presentation of Financial Statements.</i></p> <p>When the IASB issued the RCF, it did not update the conceptual framework reference in paragraph 11, as analysis conducted by IASB staff identified an inconsistency between the RCF and IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> as interpreted by IFRIC 21 <i>Levies</i>.</p> <p>Applying IFRIC 21, liabilities for levies are identified only when all conditions for the payment of the levies are met. In contrast, if the liability definition and supporting concepts in the RCF were applied, liabilities for levies might be identified before all those conditions have been met.</p> <p>Staff previously provided feedback to the IASB staff via the AOSSG when they were considering this matter regarding how IFRS 3 could be amended to address this inconsistency. Therefore staffs preliminary view is that it is not necessary for the Board to comment to the IASB on this ED. Staff will assess the proposals in the ED once it has been issued, and if staff consider that the proposals are not aligned with the feedback previously provided to IASB staff, staff will reconsider whether it is necessary for the Board to provide comment on this matter.</p>
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Questions to the Board

1. Does the Board agree with the above staff recommendations?
2. Does the Board have any other comments on the documents open for comment?