



<b>Project:</b>	n/a	<b>Meeting</b>	September 2021 (M183)
<b>Topic:</b>	<b>Documents open for comment by other organisations</b>	<b>Agenda Item:</b>	10.1
		<b>Date of the Agenda Paper:</b>	23 August 2021
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		<b>Decision-Making:</b>	Low
		<b>Project Status:</b>	n/a

## Objective of this paper

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

## Reasons for bringing this paper to the Board

- 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.
- Historically, the Board has decided which consultation documents to comment on based on factors such as the relevance and importance of the consultation to the AASB's projects and strategies, the potential impact of the proposals on Australian constituents and the priority of projects as decided by the Board. This agenda paper will assist the Board in prioritising and deciding which consultation documents it should comment on.
- Appendix A to this paper provides a summary of documents open for comment that the Board has previously made a decision regarding whether to provide feedback.

Current IASB documents open for comment – decision needed from the Board as to whether to comment or to take other action

Originating organisation	Document	Date of release	AOSSG input	Comments due	Staff recommendation for AASB approach
IASB	Exposure Draft: ED/2021/8 <a href="#">Initial Application of IFRS 17 and IFRS 9—Comparative Information</a>	July 2021	N/A	27 September 2021	<p>ED/2021/8 proposes a narrow-scope amendment to the transition requirements in IFRS 17 <i>Insurance Contracts</i> for comparative information.</p> <p>Insurers who apply both IFRS 17 and IFRS 9 <i>Financial Instruments</i> for the first time from 2023 may identify a mismatch on initial application of the two Standards. These mismatches arise in circumstances when IFRS 9 is not reflected in the accounting for financial assets in the prior periods presented when IFRS 17 and IFRS 9 are first applied.</p> <p>The proposed narrow-scope amendment to IFRS 17 would enable affected insurers to address this issue by giving them an option to present comparative information for certain financial assets in a manner consistent with IFRS 9.</p> <p>Staff issued the Aus-equivalent ED (<a href="#">ED 313</a>) on August 5, with comments due by 20 August, due to the short deadline issued by the IASB. The AASB received no submissions on ED 313.</p> <p>Staff understand that majority of Australian insurers already apply AASB 9. Therefore, the mismatch is not considered to be an issue in Australia.</p> <p><b>Therefore, staff recommend to the Board to not make a submission to the IASB on Exposure Draft ED/2021/8.</b></p> <p><b>Question to Board members</b></p> <p>Q1: Does the Board agree with the staff recommendation not to make a submission to the IASB on ED/2021/8?</p>
IASB	Exposure Draft: ED/2021/7	July 2021	N/A	31 January 2022	ED/2021/7 proposes a reduced set of disclosure requirements for subsidiaries without public accountability who apply IFRS Standards.

Originating organisation	Document	Date of release	AOSSG input	Comments due	Staff recommendation for AASB approach
	<a href="#">Subsidiaries without Public Accountability: Disclosures</a>				<p>The proposed standard would enable subsidiaries without public accountability whose parent companies prepare IFRS based consolidated financial statements to use reduced disclosures while preparing their own IFRS based financial statements.</p> <p>The ED proposes a new IFRS Standard that would:</p> <ul style="list-style-type: none"> <li>(a) be optional for a subsidiary that is eligible to apply it;</li> <li>(b) set out disclosure requirements for a subsidiary that elects to apply the Standard; and</li> <li>(c) specify the disclosure requirements in other IFRS Standards that do not apply and are replaced if a subsidiary elects to apply the draft Standard.</li> </ul> <p>In March 2020, the AASB issued AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i> which set out separate disclosure requirements to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>, while still complying with full R&amp;M.</p> <p>Paragraph 5.1(c) of the <a href="#">AASB Due Process Framework for Setting Standards</a> states that the AASB issues IASB and IPSASB consultation documents concurrently in Australia to seek Australian input and prepares formal submissions on issues likely to be of interest to Australian entities.</p> <p>However, as staff collected constituents’ feedback during the exposure stage of AASB 1060 (ED 295) and communicated the main feedback to IASB at the ASAF meeting in 2019, staff consider it unlikely any new issues would arise from further consultation.</p> <p><b>Therefore, staff recommend issuing the IASB ED via a linking document to the IFRS website (not requesting comments directly to the AASB).</b></p>

Originating organisation	Document	Date of release	AOSSG input	Comments due	Staff recommendation for AASB approach
					<p>Staff will perform an analysis of the proposed standard to identify main differences to AASB 1060 and will consider whether any further submission to IASB is required.</p> <p>Furthermore, the analysis will help the Board in the future to consider the effect of the final standard on the Australian financial framework (e.g. whether any amendments to AASB 1060 are necessary or whether the new IFRS standard should be adopted).</p> <p><b>Question to Board members</b></p> <p>Q2: Does the Board agree with the staff recommendation to issue ED/2021/7 via a linking document?</p>

**IFRS Interpretation Committee's Tentative Agenda Decisions currently open for comment – decision needed from the Board as to whether to comment or to take other action**

Originating organisation	Document	Date of release	AOSSG input	Comments due	Staff recommendation for AASB approach
None					

Current IPSASB documents for comment – decision needed from the Board as to whether to comment or to take other action

Originating organisation	Document	Date of release	Comment due date	Staff recommendation for AASB approach
IPSASB	<a href="#">Exposure Draft ED 80 Improvements to IPSAS, 2021</a>	July 2021	30 September 2021	<p><b>Staff recommend the Board not comment on IPSASB ED 80.</b> This is because ED 80 does not propose significant amendments to IPSAS. It proposes only minor amendments to IPSAS sourced from recent IFRS improvements and narrow-scope projects, such as the interest rate benchmark reforms, and to address issues raised by stakeholders.</p> <p><b>Question to Board members</b></p> <p>Q3: Does the Board agree with the staff recommendation not to comment on IPSASB ED 80?</p>
IPSASB	<a href="#">Mid-Period Work Program Consultation</a>	July 2021	30 November 2021	<p>The IPSASB is seeking input in determining what major and minor projects should be commenced by the IPSASB as it completes existing projects under its Strategy and Work Program 2019–2023. It proposes to prioritise the following projects, which would be completed under the post-2023 Strategy:</p> <ol style="list-style-type: none"> <li>1. Presentation of Financial Statements (major) – This project would revise the overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content (including disclosure and whether other comprehensive income should be identified).</li> <li>2. Differential Reporting (major) – This project would explore the characteristics of less complex public sector entities, and the appropriate financial reporting approaches and guidance that could be applied by these entities.</li> <li>3. Impairment of Non-Cash Generating Assets (minor) – This project would enhance public-sector-specific guidance on value in use to clarify the application of IPSAS 21 <i>Impairment of Non-Cash</i></li> </ol>

				<p><i>Generating Assets</i> to assets held for a public-sector-specific purpose (e.g. service delivery rather than profit-oriented activities).</p> <p>4. Intangible Assets (minor) – This project would consider whether public-sector-specific amendments to or guidance on IPSAS 31 <i>Intangible Assets</i> is needed as a result of issues identified in existing projects, such as the Heritage and Natural Resources projects, including consideration of electromagnetic spectrum rights.</p> <p>5. First-Time Adoption of Accrual Basis IPSASs (minor) – This project would address challenges and inconsistencies in the application of IPSAS 33 <i>First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs)</i>.</p> <p>6. Making Materiality Judgements (minor) – Using IFRS Practice Statement 2 <i>Making Materiality Judgements</i> as a starting point, this project would explore guidance to clarify the principles to consider when making materiality judgements on which information should be included in the notes to financial statements.</p> <p><i>The AASB’s Approach to International Public Sector Accounting Standards</i> (October 2019) notes that the AASB will make a submission to the IPSASB on consultations where there is no equivalent IFRS Standard, a known gap or a prevalent issue in public sector accounting.</p> <p><b>Since the Board’s own Agenda Consultation process is expected to commence in September, staff recommend the Board not comment on this IPSASB consultation document.</b> Staff will monitor these projects to assess whether there are any public sector aspects that should be considered by the Board.</p> <p><b>Question to Board members</b></p> <p>Q4: Does the Board agree with the staff recommendation not to comment on the IPSASB’s Mid-Period Work Program Consultation?</p>
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Current documents for comment by other organisations – decision needed from the Board as to whether to comment or to take other action

Originating organisation	Document	Date of release	Comments due	Staff recommendation for AASB approach
None				

**Appendix A**

Current and forthcoming documents open for comment – decisions already made by the Board at previous meetings

Originating organisation	Document	Date of release	Comments due	Summary
IASB	Request for Information <a href="#">IASB Third Agenda Consultation</a>	31 March 2021	IASB – 27 September 2021  AASB – 16 August 2021	Responses to this Request for Information will help shape the IASB’s thinking when determining how to prioritise its activities and what new projects to add to its work plan for 2022 to 2026. The Board decided at the November 2020 and February 2021 meeting to make a submission to the IASB. Staff received feedback through outreach activities which will be presented to the Board at the September meeting, along with the submission letter.  See agenda item 3.
IPSASB	IPSASB ED 76 <a href="#">Conceptual Framework Update: Chapter 7, Measurement of Assets and Liabilities in Financial Statements</a> ; and  IPSASB ED 77 <a href="#">Measurement</a>	April 2021	IPSASB – 25 October 2021  AASB – 3 August 2021	The Board decided at the November 2020 meeting to respond to the IPSASB on these Exposure Drafts as they have cross-cutting issues with the Board’s Fair Value Measurement for Not-for-Profit Entities project.  See agenda item 13.
IPSASB	IPSASB ED 78 <a href="#">Property, Plant and Equipment</a>	April 2021	25 October 2021	The Board decided at the February 2021 meeting not to comment on IPSASB ED 78.
IPSASB	IPSASB ED 79 <a href="#">Non-Current Assets Held for Sale and Discontinued Operations</a>	April 2021	25 October 2021	The Board decided at the February 2021 meeting not to comment on IPSASB ED 79.

Originating organisation	Document	Date of release	Comments due	Summary
IASB	Exposure Draft <a href="#">Revised Practice Statement on Management Commentary</a>	May 2021	IASB – 23 November 2021  AASB – 1 October 2021	<p>The Board decided at the February 2021 meeting to provide comments to the IASB subject to feedback received from stakeholders.</p> <p>Staff collected feedback from UAC members and co-hosted a webinar with IASB staff. Staff will perform further outreach activity and will bring summary of the feedback to November 2021 meeting for Board’s consideration.</p> <p>See agenda item 7.</p>
IASB	Exposure Draft ED/2021/3 <a href="#">Disclosure Requirements in IFRS Standards— A Pilot Approach</a>	March 2021	IASB – 12 January 2022  AASB – 15 October 2021	<p>The Board decided at the February 2021 meeting to provide comments to the IASB subject to feedback received from stakeholders. Staff received feedback through outreach activities which will be presented to the Board at September meeting.</p> <p>See agenda item 15.</p>