

TEXT OF E-MAIL FROM HENRY REES TO DUE PROCESS OVERSIGHT COMMITTEE (DPOC)

Date: 14 April 2014

Dear DPOC Members,

April 2014 IASB meeting

The next IASB meeting will be held between 22 April and 25 April 2014. A short summary of the papers that relate to due process is set out below and the related papers are attached.

Agenda Paper 12G: Narrow-scope amendments to IFRS 10 – *Consolidated Financial Statements* and IAS 28 *Investments in Associate and Joint Ventures*

The IASB intends to publish an Exposure Draft of amendments to IFRS 10 and IAS 28 relating to the accounting by investment entities. The amendment will propose a number of clarifications about the application of the exemption from consolidation for investment entities, including whether the exemption is extended to joint venture and associate entities.

The due process steps undertaken to date on this project are set out in the attached paper. The *Investment Entity* requirements in IFRS 10 are effective for annual periods commencing 1 January 2014. It is considered important to issue the final amendment in 2014; consequently a short comment period of no less than 90 days is being requested.

Agenda Paper 14: Agriculture Bearer Plants (IAS 41 *Agriculture*)

In June 2013 the IASB published an Exposure Draft proposing to amend IAS 41 and IAS 16 *Property, Plant and Equipment* to permit bearer plants to be accounted for in accordance with IAS 16. The staff are now seeking approval to commence the balloting process for the final amendments.

The due process steps are set out in the attached paper and a summary of the project was included in the Technical Activities Update presented at the April 2014 DPOC meeting.

No substantive changes have been made to the amendments proposed in the Exposure Draft, therefore re-exposure is not proposed.

It is anticipated that the final amendments will be issued in June 2014; an effective date of 1 January 2016 is therefore proposed.

As noted in the Technical Activities Update report, the life-cycle review will need to be conducted before the next face-to-face meeting of the DPOC in July 2014. To permit the DPOC to consider this life-cycle review we will circulate it by email and, if necessary, organise a conference call for the DPOC.

Agenda Paper 15B: Equity Method in Separate Financial Statements (IAS 28 *Investments in Associates and Joint Ventures*)

In December 2013 the IASB published an Exposure Draft proposing to amend IAS 28 which would permit subsidiaries, joint ventures and associates to be accounted for using the equity method of accounting in the separate financial statements of the parent entity. The staff are requesting approval to finalise the amendments.

The due process steps are set out in the attached paper and a summary of the project was included in the Technical Activities Update presented at the April 2014 DPOC meeting.

The amendments are being finalised as exposed and address certain application issues arising from the consultation responses; re-exposure is not proposed.

It is anticipated that the final amendments will be issued in the third quarter of 2014; an effective date of 1 January 2016 is therefore proposed.

Should you have any questions please do not hesitate to contact me.