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This document is provided as a convenience to observers at the Standards Advisory Council meeting, to assist them in following the discussions. It does not represent an official position of the IASB. Board positions are set out in Standards.

Note: These notes are based on the staff papers prepared for the SAC meeting. Paragraph numbers correspond to paragraph numbers used in the SAC agenda paper.

INFORMATION FOR OBSERVERS

SAC Meeting: November 2008, London

Project: Implementation activities – IFRIC and annual improvements
(*Agenda Paper 7*)

IFRIC Activity Reporting for 2008

Analysis by status

In 2008 (through 31 October), the IFRIC dealt with 23 issues. The table below shows a breakdown of these issues by status:

Table 1

(In number of issues)	2008
(a) Interpretations published	2
(b) Draft Interpretations published	2
(c) Issues taken onto the IFRIC agenda	3
(d) Issues referred to the Board	4
(e) Agenda decisions (other than decisions to refer to the Board)	8
(f) Tentative agenda decisions	2
(d+e+f) Agenda decisions	14
(g) Pending	2
Total number of issues	23

(a) Two Interpretations were published in 2008:

- IFRIC 15 *Agreements for the Construction of Real Estate* (May 2008)
- IFRIC 16 *Hedges of a Net Investment in a Foreign Operation* (May 2008)

(b) Two Draft Interpretations were published in 2008:

- D23 *Distributions of Non-cash Assets to Owners* (January 2008)
- D24 *Customer Contributions* (January 2008)

For both drafts, comment periods ended on 25 April 2008. The IFRIC reached consensus on D23 at its meeting in September and the Board is being asked to ratify IFRIC 17 at its November meeting. D24 is on the IFRIC's 6 November 2008 meeting agenda. The objective is to finalise the interpretation and present it to the Board for ratification in December.

(c) As of 31 October 2008, three other projects were on the IFRIC agenda with all items included on the 6 November 2008 agenda for discussion. These issues relate to (1) Compliance costs for REACH (IAS 38), (2) Customer related intangible assets (IFRS 3 (revised)) and (3) Regulatory liabilities in certain regulated industries (IAS 37).

(d) In 2008 (through 31 October), the IFRIC referred four issues to the IASB. The Board formally agreed to deal with all of them through the annual improvements process.

(e) In 2008 (through 31 October), the IFRIC decided not to add eight items to its agenda (other than those referred to the Board). The reasons for these decisions were as follows:

Table 2

Reasons for not adding an item:	2008
The IFRIC believed that IFRSs were sufficiently clear and therefore did not expect diversity in practice	2
The IFRIC did not believe that it could reach a consensus on a timely basis	1
The issue was not widespread	1
The issue related to a Board project which is expected to be resolved in a shorter period than the IFRIC would require	0
The IFRIC took the view that developing guidance beyond that already given would be more in the nature of application guidance	1
The IFRIC had not observed and did not expect significant diversity in practice	3
Total number of issues	8

(f) As of 31 October 2008, two agenda decisions were tentative (and available for comment through 13 October 2008). Both items are included on the 6 November 2008 agenda for discussion.

(g) As of 31 October 2008, two issues were pending with both items included on the 6 November 2008 agenda for discussion. The issues relate to the following:

- Potential effect of IFRS 3 and IAS 27 (as revised in 2008) on equity method accounting (IAS 28)
- Classification of puttable and perpetual instruments (IAS 32 (revised))

Analysis by Standards

The 23 issues considered by the IFRIC in 2008 related to several Standards. The table below shows the principal Standards (or a group of Standards and Interpretations) to which each issues relate:

Table 3

Standards	2008
IAS 19 <i>Employee Benefits</i>	5
IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i>	3
IAS 39 <i>Financial Instruments: Recognition and Measurement</i>	3
IAS 18 <i>Revenue</i>	2
IAS 32 <i>Financial Instruments: Presentation</i>	2
IFRS 3 <i>Business Combinations</i>	1
IAS 7 <i>Statement of Cash Flows</i>	1
IAS 11 <i>Construction Contracts</i>	1
IAS 17 <i>Leases</i>	1
IAS 21 <i>The Effect of Changes in Foreign Exchange Rates</i>	1
IAS 23 <i>Borrowing Costs</i>	1
IAS 28 <i>Investments in Associates</i>	1
IAS 38 <i>Intangible Assets</i>	1
Number of issues	23

Other activities

The IFRIC staff have primary responsibility for the IASB's annual improvements projects. At any given time there will be three annual improvement project cycles that are active. Currently, the staff are working on the following:

- Finalise the remaining six issues included in the October 2007 exposure draft
- Analyse incoming comment letters (due to be received by 7 November 2008) relating to the 12 issues in the August 2008 exposure draft
- Analyse incoming requests for items to be included in the next exposure draft (planned to be published in August 2009)

As of 31 October 2008, the IFRIC staff have received eleven requests for items to be included in the next annual improvements exposure draft.

In May, the Board decided to make some changes to the annual improvements processes:

- the project scope should not be determined by a definition of ‘minor amendments’;
- the Board will continue to use a single exposure draft to publish proposed improvements to IFRSs, unless the changes relate to unusually significant or broad issues;
- the evaluation of whether to publish an amendment as a stand-alone document or with a group of others requires judgement.

Question for the SAC

Should the Board attempt to respond to all suggestions or only those that have been vetted by the IFRIC?