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Project **Annual Improvement**

Topic **Amendments to IFRS3 and IAS27 – Other Issues**

Introduction

1. This agenda paper explains the other proposed amendments that are not covered by our 2009 annual improvement project. We bring these proposals to the attention of the Board so that their implication will be considered in other projects and for the Board to decide if any of them should be dealt with earlier.
2. This agenda paper has three appendices [appendices omitted from observer note]:
 - Appendix A lists the issues that we have presented to the IFRIC;
 - Appendix B lists the issues that we recommend the Board should deal with as part of other ongoing projects;
 - Appendix C contains a list of additional issues that, in our view, are neither related to other projects nor meet the criteria for annual improvements.

Staff Views

3. We disagree on how to deal with some issues identified in Appendix C. Some staff note that the revised standards are not effective yet and have not been applied in practice. Therefore, they believe that the Board should wait and see whether those issues result in divergence in practice. Those staff would defer the issues in Appendix C to the post-implementation review of the revised standards.

This paper has been prepared by the technical staff of the IASB for the purposes of discussion at a public meeting of the IASB.

The views expressed in this paper are those of the staff preparing the paper and do not purport to represent the views of any individual members of the Board or the IASB.

Decisions made by the Board are reported in IASB *Update*.

Official pronouncements of the IASB are published only after the Board has completed its full due process, including appropriate public consultation and formal voting procedures.

IASB Staff paper

4. In contrast, other staff believe that those issues are almost certain to result in divergence in practice and will have to be addressed at some point. However, those staff also note that amendments from the post-implementation review of the revised standards could, at the earliest, be effective in 2013. Therefore, they recommend not waiting for the post-implementation review, but to begin work on the issues identified in Appendix C today to reduce the risk of divergence in practice as soon as possible.

Question to the Board (1)

Does the Board agree with the project scope outlined in our agenda papers of this meeting or should the staff also address some or all of the issues in Appendix C rather than waiting for those issues to be addressed in the post-implementation review?

Question to the Board (2)

If the Board decides to address some of the issues in Appendix C before the post-implementation review, which issues does it wish the staff to pursue?

Appendices A-C

Omitted from observer note