

STAFF PAPER

February 2012

IASB Meeting

Project	Annual Improvements project –2009-2011 cycle		
Paper topic	Cover note		
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Introduction

1. The Board published its exposure draft of proposed *Improvements to International Financial Reporting Standards* (2009 –2011 cycle) on June 2011 (ED June 2011). The comment period ended on 21 October 2011. The Board received 67 comment letters.
2. The June 2011 ED proposed a total of 7 amendments to IFRSs. At its meeting in January 2012, the IFRS Interpretations Committee (the Committee) deliberated the comments received on six of the seven proposed annual improvements.
3. The Committee did not discuss the proposal in the ED (June 2011) to change IAS 1 to reflect the *Conceptual Framework for Financial Reporting* (issued in 2010), as this proposed amendment will be dealt directly by the Board. The staff has analysed this issue separately on agenda paper 12D as stated below.
4. The agenda papers for this meeting are as follows:
 - (a) **Agenda Paper 12A** includes a summary of the issues discussed by the Committee at the January 2012 meeting
 - (b) **Agenda Paper 12B** includes the proposed wording for annual improvements project issues discussed and confirmed so far by the Committee for inclusion in the final *Improvements to IFRSs* that is planned to be issued in April 2012. It shows marked-up changes based on the text included in the Bound Volume as of 1 January 2012. New text is underlined and deleted text is ~~struck through~~.

- (c) **Agenda paper 12C** presumes all changes proposed in the exposure draft published in June 2011 were accepted and **only shows incremental changes newly recommended by the Committee** based on an analysis of the comment letters received. Incremental new text is underlined and deleted text is ~~struck through~~.
- (d) **Agenda Paper 12D** shows the comment letter analysis of the proposed changes to IAS 1 derived from the *Conceptual Framework for Financial Reporting* (issued in 2010). These changes were not deliberated by the Committee.

Summary of issues discussed by the Committee

5. A summary of the issues discussed by the Committee at the January 2012 meeting are included in **agenda paper 12A** and are as follows:
- IFRS 1 *First-time Adoption of International Financial Reporting Standards*—Repeated application of IFRS 1
 - IFRS 1 *First-time Adoption of International Financial Reporting Standards*—Borrowing costs relating to qualifying assets for which the commencement date for capitalisation is before the date of transition to IFRSs
 - IAS 1—*Presentation of Financial Statements*—Clarification of the requirements for comparative information
 - IAS 16 *Property, Plant and Equipment*—Classification of servicing equipment
 - IAS 32 *Financial Instruments: Presentation*—Tax effect of distribution to holders of equity instruments
 - IAS 34 *Interim Financial Reporting*—Interim financial reporting and segment information for total assets

Timetable

6. The following section provides a tentative timetable for the annual improvements project for the Board's information:

Date/Meeting	Objective
February 2012 – Board meeting	Approve amendments proposed by the Committee
Second week of March 2012 (tentative 9 March)	Pre-Ballot draft of issues approved for finalisation (comments by 19 March)
March 2012 - Board meeting (19–23 March)	Discuss potential additional issues.
End of March 2012 (tentative 26 March)	Ballot draft for the issues approved for finalisation (comments by 30 March 2012)
April 2012 (tentative 19 April)	Issue Improvements to IFRSs Effective date of 1 January 2013.