

STAFF PAPER

19-21 March 2012

March 2012 IASB Meeting

Project	Trustees Review of Effectiveness and Efficiency of the IFRS Interpretations Committee		
Paper topic	Feedback from IFRS Interpretations Committee and Summary		
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Introduction and purpose of paper

1. This paper accompanies papers 10 and 10A for the March 2012 Board meeting on the subject of the proposed revised agenda criteria for the IFRS Interpretations Committee. It provides feedback to the Board from the Interpretations Committee, which discussed the same proposals at its meeting on 14 March 2012. It also includes a brief summary of the overall proposals. This paper repeats the questions for the Board from paper 10, in the light of the feedback from the Committee.

Summary of proposals**Context**

2. The proposed revised agenda criteria are intended to apply in the context of a broader range of 'tools' available to the Committee for addressing the issues submitted to it. Those intended 'tools' are set out in paragraphs 7 to 9 of agenda paper 10.
3. To date, the 'tools' used by the Committee have primarily been restricted to IFRIC Interpretations and Annual Improvements. These proposals for revisions to the agenda criteria are made in the context that the Committee is

encouraged to use the broader range of ‘tools’ and that it will select the ‘tool’ that it thinks most effectively and efficiently delivers the technical conclusion that it reaches on the issue it is addressing.

Principal changes proposed

4. The principal changes being proposed in papers 10 and 10A are:
 - (a) The agenda criteria would now apply to all issues submitted to the Committee, regardless of the ‘tool’ that the Committee uses to address the issue. At present separate agenda criteria are used for IFRIC Interpretations and Annual Improvements.
 - (b) The agenda criteria themselves are based largely on the existing IFRIC Interpretations Criteria, modified to reflect feedback received through the review:
 - (i) Acknowledge that reduction in diversity in practice is worthwhile if diversity cannot be eliminated
 - (ii) Remove requirement to assess likelihood that Committee will reach consensus on an issue as one of the criteria for adding an issue to the agenda; instead the feasibility of reaching consensus will be monitored whilst the Committee’s discussions progress.
 - (iii) Comparison with Board projects addressing similar issues should focus on whether an interim solution developed by the Committee would be effective for a reasonable period of time.
 - (c) Supplementary agenda criteria would be applied if the Committee decides to address an issue through Annual Improvements. Annual Improvements are subject to the same due process requirements as other amendments to IFRS. The distinguishing feature for Annual Improvements is that several unrelated amendments are packaged together in a single Exposure Draft for the efficiency purposes. The incremental aspects of the criteria for Annual Improvements approved by the Trustees in 2011 are proposed to be retained,

largely unchanged, as supplementary agenda criteria. These are included in paragraph 21 of agenda paper 10.

Feedback from the IFRS Interpretations Committee

5. The Committee discussed the proposed revised agenda criteria at its meeting on 14 March. The Committee agreed with the changes proposed but with the following caveats:
 - (a) The revised criteria should be applied in the context of the broader range of ‘tools’ available to the Committee (see paragraph 2 above)
 - (b) The supplementary criteria for Annual Improvements should make reference to Annual Improvements being a subset of amendments to IFRSs that are “sufficiently minor and narrow in scope” as to allow several unrelated amendments to be published collectively.
 - (c) The use of a broader range of ‘tools’ and the revisions to the agenda criteria need to be made in conjunction with the changes to the Agenda Decisions (agenda rejections) discussed by the Board in the February Board meeting (agenda paper 15A for that meeting)

Summary of questions for the Board

6. In the light of the feedback from the IFRS Interpretations Committee:

Does the Board agree with the proposed revised agenda criteria for the Interpretations Committee set out in paragraph 18 of agenda paper 10 and the supplementary criteria for Annual Improvements set out in paragraph 21 of paper agenda paper 10?

Does the Board agree with the application of these revised agenda with a broader range of tools, as set out in paragraphs 8 and 9 of agenda paper 10?

Does the Board have any comments on the proposed agenda criteria?

Does the Board agree with the proposed responses to the operational and strategic matters arising from the review of the Interpretations Committee set out in appendices A and B in paper 10? Does the Board have any questions or comments on the issues raised?

