

STAFF PAPER

22–26 April 2013

IASB Meeting

IASB: Dec 2012,
Feb and Mar 2013

Project	Annual Improvements to IFRSs—2010-2012 Cycle (ED/2012/1) comment letter analysis (part 4)		
Paper topic	Cover note		
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Introduction

1. The IASB published its Exposure Draft (ED) *Annual Improvements to IFRSs 2010–2012 Cycle* (ED/2012/1) in May 2012. The comment period ended on 5 September 2012 and the IASB received 84 comment letters.
2. The ED proposed a total of 11 amendments to 11 Standards:
 - (a) IFRS 2 *Share-based Payment*—Definition of ‘vesting condition’;
 - (b) IFRS 3 *Business Combinations*—Accounting for contingent consideration in a business combination;
 - (c) IFRS 8 *Operating Segments*—Aggregation of operating segments;
 - (d) IFRS 8 *Operating Segments*—Reconciliation of the total of the reportable segments’ assets to the entity’s assets;
 - (e) IFRS 13 *Fair Value Measurement*—Short-term receivables and payables;
 - (f) IAS 1 *Presentation of Financial Statements*—Current/non-current classification of liabilities;
 - (g) IAS 7 *Statement of Cash Flows*—Interest paid that is capitalised;
 - (h) IAS 12 *Income Taxes*—Recognition of deferred tax assets for unrealised losses;

- (i) IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*—Revaluation method—proportionate restatement of accumulated depreciation;
 - (j) IAS 24 *Related Party Disclosures*—Key management personnel; and
 - (k) IAS 36 *Impairment of Assets*—Harmonisation of disclosures for value in use and fair value less costs of disposal.
3. At its meeting in December 2012, the IASB tentatively decided that:
- (a) the accounting for deferred tax assets for unrealised losses (see paragraph 2(h) of this Staff Paper) should not be clarified as part of Annual Improvements but instead by a separate narrow-scope amendment to IAS 12; and
 - (b) the proposed amendment ‘IAS 36 *Impairment of Assets*—Harmonisation of disclosures for value in use and fair value less costs of disposal’ (see paragraph 2(k) of this Staff Paper) should be incorporated into the project ‘Recoverable Amounts Disclosures for Non-Financial Assets’.
4. At the February 2013 IASB meeting, the IASB tentatively decided to finalise the following four proposed amendments, subject to some minor wording amendments:
- (a) IFRS 2 *Share-based Payment*—Definition of ‘vesting condition’;
 - (b) IFRS 8 *Operating Segments*—Aggregation of operating segments;
 - (c) IFRS 8 *Operating Segments*—Reconciliation of the total of the reportable segments’ assets to the entity’s assets; and
 - (d) IFRS 13 *Fair Value Measurement*—Short-term receivables and payables.
5. At the March 2013 IASB meeting, the IASB tentatively decided:
- (a) to finalise the proposed amendment ‘IAS 24 *Related Party Disclosures*—Key management personnel’ (see paragraph 2(j) of this Staff Paper) subject to some changes; and

(b) not to proceed with the proposed amendment ‘IAS 1 *Presentation of Financial Statements*—Current/non-current classification of liabilities’ (see paragraph 2(f) of this Staff Paper) as part the 2010–2012 Cycle of Annual Improvements to IFRSs. Instead, the IASB decided to ask the IFRS Interpretations Committee (‘the Interpretations Committee’) to reconsider what clarifications could be made to IAS 1 to address the issue of the proposed amendment.

6. At the April 2013 IASB meeting we want to present to, and discuss with, the IASB the Interpretations Committee’s recommendations on how to proceed with the following proposed amendments to IFRSs:

- (a) Agenda Paper 16B: IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*—Revaluation method—proportionate restatement of accumulated depreciation; and
- (b) Agenda Paper 16C: IAS 7 *Statements of Cash Flows*—Interest paid that is capitalised.

7. We plan to present and discuss at a future meeting:

- (a) the Interpretations Committee’s recommendation on how to proceed with the issue ‘IFRS 3 *Business Combinations*—Accounting for contingent consideration in a business combination’; and
- (b) a Staff Paper to the IASB:
 - (i) summarising the steps that the IASB has taken in developing the amendments; and
 - (ii) assessing whether the proposals can be finalised or whether they should be re-exposed.