
STAFF PAPER**22–26 April 2013**

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| Project | IFRS 13 <i>Fair Value Measurement</i> | | |
| Paper topic | IAS 36 <i>Impairment of Assets</i> narrow-scope amendment—Recoverable Amount Disclosures—Summary of due process followed | | |
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This paper has been prepared by the staff of the IFRS Foundation for discussion at a public meeting of the IASB and does not represent the views of the IASB or any individual member of the IASB. Comments on the application of IFRSs do not purport to set out acceptable or unacceptable application of IFRSs. Technical decisions are made in public and reported in IASB *Update*.

Introduction and purpose

1. In January 2013 the IASB published the Exposure Draft ED/2013/1 *Recoverable Amount Disclosures for Non-Financial Assets* (the ‘Exposure Draft’) proposing a narrow-scope amendment to IAS 36 *Impairment of Assets*. These amendments sought to better represent the IASB’s initial intention when it amended some disclosure requirements in IAS 36 as a result of the development of IFRS 13 *Fair Value Measurement* (see Agenda Paper 14A for a more detailed description of the purpose of the proposed amendments in the Exposure Draft). The Exposure Draft was published with a 60-day comment period.¹
2. On the basis of the discussions previously held in connection with Agenda Paper 14A, the IASB has tentatively decided to proceed with the publication of the final amendments to IAS 36. The balloting process of the final

¹ The Exposure Draft can be found at <http://www.ifrs.org/Current-Projects/IASB-Projects/Recoverable-Amount-Disclosures-for-Non-Financial-Assets/ED-January-2013/Documents/ED-Recoverable-Amount-Disclosures-for-Nonfinancial-Assets.pdf>.

amendments is expected to start after this meeting with publication scheduled for the second half of May 2013.

3. The purpose of this Agenda Paper is to explain the steps in the due process that the IASB has taken before the publication of the final amendments and to ask the IASB to confirm that it is satisfied that it has complied with the due process requirements to date.

Confirmation of due process steps

4. In Appendix A we have summarised the due process steps we have taken in developing the final amendments.
5. We note that the required due process steps applicable for the publication of the final amendments have been completed, as documented in Appendix A.

Questions for the IASB on compliance with due process

1. Is the IASB satisfied that all required due process steps that pertain to the publication of final amendments have been complied with?

Appendix A

Confirmation of due process steps followed in the development of the amendments to IAS 36 *Impairment of Assets*

The following table sets out the due process steps followed by the IASB that are required when developing final amendments. Table 1 summarises the due process steps performed that led to the publication of the Exposure Draft while Table 2 summarises the due process steps performed until the publication of the final amendment.

Table 1—Development of the Exposure Draft (ED)

| <i>Step</i> | <i>Required/Optional</i> | <i>Metrics or evidence</i> | <i>Evidence provided to DPOC</i> | <i>Actions</i> |
|---|--------------------------|--|---|--|
| Board meetings held in public, with papers available for observers. All decisions are made in public session. | Required | Meetings held. Project website contains a full description with up-to-date information. Meeting papers posted in a timely fashion. | Members of the IASB have discussed with the DPOC the progress of the due process that is being conducted on major projects. The DPOC has reviewed, when appropriate, the comments that have been received from interested parties on the due process that the IASB followed. | This issue was discussed by the IASB during its December 2012 meeting. The IASB decided to propose a narrow-scope amendment to the disclosure requirements in IAS 36 <i>Impairment of Assets</i> . An <i>IASB Update</i> was posted after the IASB December 2012 meeting at which this issue was discussed. A project webpage was created after the IASB December 2012 meeting. |
| Consultation with the Trustees and the Advisory Council. | Required | Discussions with the Advisory Council. | The DPOC has met with the Advisory Council to understand stakeholders' perspectives. The Advisory Council Chair is invited to Trustees' meetings and meetings of the DPOC. | Due to the narrow-scope nature of the amendments this was considered to be unnecessary. |
| Analysis of the likely effects of the forthcoming Standard or major amendment, for example, initial costs or ongoing associated costs. | Required | Publication of the Effect Analysis as part of the Basis for Conclusions. | The IASB has reviewed, with the DPOC, the results of the Effect Analysis and how it has considered such findings in the proposed Standard. The IASB has provided a copy | This is a narrow-scope amendment and its objective is to correct an unintended oversight that will remove undue burden for preparers of financial statements. This is the most |

| <i>Step</i> | <i>Required/ Optional</i> | <i>Metrics or evidence</i> | <i>Evidence provided to DPOC</i> | <i>Actions</i> |
|---|-------------------------------|---|--|--|
| | | | of the Effect Analysis to the DPOC at the point of the Standard's publication. | significant likely effect of the amendments. |
| Finalisation | | | | |
| Due process steps reviewed by the IASB. | Required | Summary of all due process steps discussed by the IASB before a Standard is issued. | The DPOC has received a summary report of the due process steps that have been followed before the Exposure Draft is issued. | |
| The ED has an appropriate comment period. | Required | The period has been set by the IASB. If outside the normal comment period, an explanation from the IASB to the DPOC has been provided, and the decision has been approved. | The DPOC has received notice of any change in the comment period length and has provided approval if required. | The IASB agreed at its December 2012 meeting that the ED will be published with a 60-days comment period due to the urgency of the amendments. |
| Drafting | | | | |
| Drafting quality assurance steps are adequate. | Required | The Translations team has been included in the review process. | The DPOC has received a summary report of the due process steps that have been followed before the ED is issued. | The amendment resulted in only minor drafting changes to IAS 36 and did not, therefore, involve drafting matters that required the input of the Translations team. |
| Drafting quality assurance steps are adequate. | Required | The XBRL team has been included in the review process. | The DPOC has received a summary report of the due process steps that have been followed before the ED is issued. | The XBRL team has reviewed the ballot draft and provided its comments. |
| Publication | | | | |
| ED published. | Required | ED has been posted on the IASB website. | The DPOC has been informed of the release of the ED. | The ED was published in January 2013. |
| Press release to announce publication of ED. | Required | Press Release has been published. Media coverage of the release. | The DPOC has been informed of the release of the ED. | A press release was published announcing the ED. |

Table 2—Finalisation of the amendment

| <i>Step</i> | <i>Required</i> | <i>Metrics or evidence</i> | <i>Evidence provided to DPOC</i> | <i>Actions</i> |
|--|----------------------------|---|--|---|
| Consideration of information gathered during consultation | | | | |
| The IASB posts all of the comment letters that are received in relation to the ED on the project pages. | Required if request issued | Letters posted on the project pages. | The IASB has reported on progress as part of its quarterly report at Trustee meetings. | All comment letters received in relation to the ED have been posted on the project page. |
| IASB meetings are held in public, with papers being available for observers. All decisions are made in public sessions. | Required | Meetings held. Project website contains a full description with up-to-date information. Meeting papers posted in a timely fashion. Extent of meetings with consultative group held and confirmation that critical issues have been reviewed with them. | The IASB and the DPOC have discussed progress on major projects, in relation to the due process being conducted. The IASB and the DPOC have reviewed the due process over the project life cycle, and how any issues about the due process have been/are being addressed. The DPOC has met with the Advisory Council to understand stakeholders' perspectives. The DPOC has reviewed and responded to comments on due process as appropriate. | This issue was discussed by the IASB during its April 2013 meeting. The IASB decided to finalise a narrow-scope amendment to the disclosure requirements in IAS 36 <i>Impairment of Assets</i> . The <i>IASB Update</i> will be posted right after the IASB April 2013 meeting. A project webpage was created after the IASB December 2012 meeting. |
| Analysis of likely effects of the forthcoming Standard or major amendment, for example, costs or on-going associated costs. | Required | Publication of the Effect Analysis. | The IASB and the DPOC have reviewed the results of the Affect Analysis and how it has considered such findings in the proposed Standard. The IASB has provided a copy of the Effect Analysis to the DPOC at the point of the Standard's publication. | This is a narrow-scope amendment and its objective is to correct an unintended oversight that will remove undue burden for preparers of financial statements. This is the most significant likely effect of the amendments. |
| Finalisation | | | | |
| Due process steps are reviewed by the IASB. | Required | Summary of all due process steps have been discussed by the IASB before a Standard is issued. | The DPOC has received a summary report of the due process steps that have been followed before the Standard is issued. | Due process steps were discussed by the IASB during its April 2013 meeting. |
| Need for re-exposure of a Standard is considered. | Required | An analysis of the need to re-expose is considered at a public IASB meeting, using the agreed criteria. | The IASB has discussed its thinking on the issue of re-exposure with the DPOC. | N/A |
| The IASB sets an effective date for the Standard, | Required | Effective date set, with full consideration of the implementation challenges. | The IASB has discussed any proposed shortening of the period for effective application | The IASB has set the effective date for this amendment at 1 January |

| Step | Required | Metrics or evidence | Evidence provided to DPOC | Actions |
|---|-----------------|---|--|--|
| considering the need for effective implementation, generally providing at least a year. | | | with the DPOC. | 2014 given that: <ul style="list-style-type: none"> - this is a narrow-scope amendment whose objective is to correct an unintended oversight in consequential amendments to IAS 36 that were carried out when IFRS 13 was developed; and - these amendments are related to IFRS 13 whose effective date is 1 January 2013. The amendments should become effective as soon as possible so that the requirements in IAS 36 are consistent with the IASB's initial intention. |
| Drafting | | | | |
| Drafting quality assurance steps are adequate. | Required | The Translations team has been included in the review process. | The DPOC has received a summary report of the due process steps that have been followed before a Standard is issued. | Because the amendment resulted in only minor drafting changes to IAS 36, it was not considered necessary to have the draft reviewed by the Translations team. |
| Drafting quality assurance steps are adequate. | Required | The XBRL team has been included in the review process. | The DPOC has received a summary report of the due process steps that have been followed before a Standard is issued. | The XBRL team reviewed the ballot draft for the ED and provided its comments. Based on these comments there are no further matters that need to be addressed for the publication of the final amendments. |
| Publication | | | | |
| Press release to announce final Standard. | Required | Press release has been announced in a timely fashion. Media coverage of the release. | The DPOC has received a copy of the press release and a summary of the media coverage. | The press release will be prepared when the final amendments are ready for publication. |
| Standard is published. | Required | Official release. | The DPOC has been informed of the release. | The amendment is scheduled to be published in the second half of May 2013. |