

## STAFF PAPER

Dec 2015

<b>Project</b>	<b>Effective date of amendments to IFRS 10 and IAS 28</b>		
Paper topic	Due process and permission to publish		
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This paper has been prepared 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

1. On 24 June 2015, the IASB decided to propose a deferral of the effective date of *Sale or Contribution of Assets between an Investor and its Associates or Joint Venture—Amendments to IFRS 10 and IAS 28*, issued in September 2014 (‘the September 2014 Amendment’). The purpose of this paper is to seek the IASB’s permission to publish *Effective Date of Amendments to IFRS 10 and IAS 28*, which defers the effective date of the September 2014 Amendment for an indefinite period.
2. This paper is structured as follows:
  - (a) background;
  - (b) due process steps and permission to ballot;
  - (c) questions for the IASB; and
  - (d) Appendix A—Action taken to meet the due process requirements.

## Background

3. In September 2014 the IASB issued an amendment to IFRS 10 and IAS 28 that dealt with sales or contribution of assets between an investor and its associate or joint venture. Earlier this year, the IASB was also considering a number of additional

narrow-scope amendments to IFRS 10 and IAS 28 on this topic. In June 2015 the IASB decided that it would defer indefinitely the effective date of the amendments published in September 2014 and consider the amendments to IAS 28 as part of the comprehensive research project on equity accounting instead.

4. Because the effective date of the September 2014 amendments is 1 January 2016, the IASB thought it was important for the deferral of the effective date to be finalised this year.

## **Due process steps and permission to publish**

### ***Confirmation of due process steps***

5. The staff note that the proposed amendment to the effective date of the September 2014 Amendments is narrow in scope. Consequently, the extent of the due process performed is more limited than would be performed for a major amendment or a new Standard.
6. The required due process steps for the publication of the amendment to the effective date of the September 2014 Amendment are summarised below:
  - (a) *Consultation*—the IASB published its Exposure Draft *Effective Date of Amendments to IFRS 10 and IAS 28* (‘the ED’) in August 2015. Because the proposals were narrow-scope and urgent, the IASB requested and received permission from the Trustees’ Due Process Oversight Committee to publish the ED with only a 60-day comment period. That comment period ended on 9 October 2015. The IASB posted the comment letters received on the ED on the relevant project page on the IASB website. A comment letter summary was made available on the IASB website prior to public discussion of that analysis at the November 2015 IASB meeting (Agenda Paper 12C for that meeting).
  - (b) *Finalisation*—this paper presents details of the compliance with due process and is to be reviewed during the December 2015 IASB meeting. The analysis of comment letters discussed at the November 2015 meeting did not identify any other issues or additional amendments to the proposals

that would need to be discussed by the IASB at future meetings. The IASB decided at that meeting to publish the proposals as contained in the Exposure Draft. Consequently, the staff think that the proposals can be finalised.

- (c) *Drafting*—the Translations team and the XBRL team have been consulted as part of the balloting process.
- (d) *Publication*—the official release of the final amendments is planned to be announced by a press release.

### ***Permission to publish***

7. The staff think that the IASB has undertaken sufficient due process steps to finalise the amendment to the effective date of the September 2014 Amendment to IFRS 10 and IAS 28 (see Appendix A for more detail to support the staff view). The staff have also reviewed the criteria for re-exposure (as set out in paragraph 6.25 of the *Due Process Handbook*) and concluded that re-exposure is not necessary. The staff are of the view that the IASB has been provided with sufficient analysis, and has undertaken appropriate consultation, to support the publication of the amendments. Consequently, the staff request permission to publish.

### ***Dissents***

8. No IASB member expressed an alternative view in the ED. Any IASB member who intends to dissent from the final amendments is asked to make his or her intention known at this meeting.

### ***Proposed timetable for publication***

9. The staff recommend that the amendment Effective Date of Amendments to IFRS 10 and IAS 28 should be issued in December 2015, before the effective date of the September 2014 Amendment, ie before 1 January 2016.

**Questions for the IASB****Effective date of amendments to IFRS 10 and IAS 28**

**Question 1—Due process steps and permission to publish:** Is the IASB satisfied that the due process requirements have been met and that it has undertaken sufficient consultation and analysis to publish *Effective Date of Amendments to IFRS 10 and IAS 28*?

**Question 2—Dissents:** Do any members of the IASB plan to dissent from the publication of the amendment *Effective Date of Amendments to IFRS 10 and IAS 28*?

## Appendix A: Action taken to meet the due process requirements

A1 This appendix shows how the IASB has complied with the due process requirements for final amendments to Standards as set out in the *Due Process Handbook* published in February 2013.

<i>Step</i>	<i>Required/Optional</i>	<i>Metrics or evidence</i>	<i>Evidence provided to DPOC</i>	<i>Actions</i>
<b>Consideration of information gathered during consultation</b>				
<b>The IASB posts all of the comment letters that are received in relation to the ED on the project pages.</b>	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, including summary statistics of respondents.	<p>Comment letters on the ED have been posted on the project page of the IFRS Foundation website.</p> <p>A feedback summary was presented to the IASB at its November 2015 meeting and is available on the project page of the IFRS Foundation website.</p> <p>Progress has been reported in the quarterly report at Trustee meetings. The DPOC was also consulted on, and approved, a shortened comment period for the ED (under cover of Hugh Shields' e-mail of 1 July 2015).</p>
<b>Round-table meetings between external participants and members of the IASB.</b>	Optional	Extent of meetings held.	The DPOC has received a report of outreach activities.	No formal round-table meetings were hosted by the IASB because this is a limited-scope project.

<i>Step</i>	<i>Required/ Optional</i>	<i>Metrics or evidence</i>	<i>Evidence provided to DPOC</i>	<i>Actions</i>
<b>IASB meetings are held in public, with papers being available for observers. All decisions are made in public sessions.</b>	Required	<p>Meetings held.</p> <p>Project website contains a full description with up-to-date information.</p> <p>Meeting papers posted in a timely fashion.</p> <p>Extent of meetings with consultative group held and confirmation that critical issues have been reviewed with them.</p>	<p>The IASB and the DPOC have discussed progress on major projects, in relation to the due process being conducted.</p> <p>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.</p> <p>The DPOC has met with the Advisory Council to understand stakeholders' perspectives.</p> <p>The DPOC has reviewed and responded to comments on due process as appropriate.</p>	<p>The IASB discussed the comment letter summary and the way forward at its public meeting in November 2015 (Agenda Paper 12C for that meeting refers).</p> <p>The DPOC has been updated regularly on the status of this project as part of the Technical Activities paper presented at each meeting of the Trustees.</p>
<b>Analysis of likely effects of the forthcoming Standard or major amendment, for example, costs or ongoing associated costs.</b>	Required	Publication of the Effects Analysis.	<p>The IASB and the DPOC have reviewed the results of the Effects Analysis and how it has considered such findings in the proposed Standard.</p> <p>The IASB has provided a copy of the Effects Analysis to the DPOC at the point of the Standard's publication</p>	Not required, because this is a narrow-focus amendment.
<b>Email alerts are issued to registered recipients.</b>	Optional	Evidence that alerts have occurred.	The DPOC has received a report of outreach activities.	General IFRS e-alert subscribers have been notified when key documents, eg the Exposure Draft and <i>IASB Update</i> newsletters, are issued.

<i>Step</i>	<i>Required/ Optional</i>	<i>Metrics or evidence</i>	<i>Evidence provided to DPOC</i>	<i>Actions</i>
<b>Outreach meetings to promote debate and hear views on proposals that are published for public comment.</b>	Optional	Extent of meetings held, including efforts aimed at investors.	The DPOC has received a report of outreach activities.	A summary of the feedback received from outreach activities undertaken by IASB members and staff as well as the comment letter analysis was presented to the IASB at its November 2015 meeting.  No further outreach meetings were deemed necessary because of the narrow-focus nature of the amendment.
<b>Regional discussion forums are organised with national standard-setters and the IASB.</b>	Optional	Extent of meetings held.	The DPOC has received a report of outreach activities.	Regional discussion forums were not considered necessary because of the narrow-focus nature of the amendment.
<b>Finalisation</b>				
<b>Due process steps are reviewed by the IASB.</b>	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.	This Agenda Paper provides a summary of all due process steps and is to be discussed by the IASB at this meeting.
<b>Need for re-exposure of a Standard is considered.</b>	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.	Paragraph 7 of this Agenda Paper sets out the staff view that the IASB should not re-expose the proposed amendments.
<b>The IASB sets an effective date for the Standard, considering the need for effective implementation, generally providing at least a year.</b>	Required	Effective date set, with full consideration of the implementation challenges	The IASB has discussed any proposed shortening of the period for effective application with the DPOC.	Paragraph 9 of this Agenda Paper considers the proposed timetable for publication and the impact on the effective date.