

## STAFF PAPER

July 2016

## IFRS® Interpretations Committee Meeting

Project	Foreign Currency Transactions and Advance Consideration		
Paper topic	Cover paper		
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This paper has been prepared for discussion at a public meeting of the IFRS Interpretations Committee (the Interpretations Committee). Comments on the application of IFRS Standards do not purport to set out acceptable or unacceptable application of those IFRS Standards—only the Interpretations Committee or the International Accounting Standards Board (the Board) can make such a determination. Decisions made by the Interpretations Committee are reported in IFRIC® *Update*. The approval of a final Interpretation by the Board is reported in IASB® *Update*.

**Purpose of this meeting**

1. In October 2015, the IFRS Interpretations Committee (the Interpretations Committee) published a draft IFRIC Interpretation *Foreign Currency Transactions and Advance Consideration* (the draft Interpretation). The comment period for the draft Interpretation ended in January 2016.
2. In May 2016, the Interpretations Committee discussed the feedback received and commenced its deliberations of the more significant matters raised in comment letters on the draft Interpretation.
3. At this meeting in July 2016, the Interpretations Committee will be asked to consider two papers:
  - (a) Agenda Paper 3A *Foreign Currency Translations and Advance Consideration—Analysis of matters raised in comment letters*.

This paper continues the discussion from the May 2016 Interpretations Committee meeting of the more significant matters raised in comment letters.

- (b) Agenda Paper 3B *Foreign Currency Translations and Advance Consideration—Due Process*.

This paper sets out the due process steps taken in the development of the Interpretation. Appendix A presents the actions the Interpretations Committee has taken to meet the due process requirements as set out in [paragraphs 7.14–7.22](#) of the *Due Process Handbook* for finalising an Interpretation.

### **Next steps**

4. Subject to the Interpretations Committee concluding upon its deliberations and being satisfied that the due process requirements have been met, we plan to start the balloting process for the Interpretation in July 2016. We are required to seek ratification of the Interpretation from the Board. We plan to seek the Board's ratification in October 2016 and issue the final Interpretation towards the end of 2016.