

STAFF PAPER

July 2017

Accounting Standards Advisory Forum

Project	IAS 8 Accounting policies, Changes in Accounting Estimates and Errors—Accounting policy changes resulting from agenda decisions		
Paper topic	Accounting Standards Advisory Forum feedback		
CONTACT(S)	Jawaid Dossani	jdossani@ifrs.org	+44 (0)20 7332 2742

This paper has been prepared for discussion at a public meeting of the Accounting Standards Advisory Forum. The views expressed in this paper do not represent the views of the International Accounting Standards Board (the Board) or any individual member of the Board. Comments on the application of IFRS® Standards do not purport to set out acceptable or unacceptable application of IFRS Standards. Technical decisions are made in public and reported in IASB® Update.

Introduction

1. At its meeting in June 2017, the International Accounting Standards Board (the Board) discussed whether, and if so how, to address the challenges posed by the requirements in IAS 8 for voluntary changes in accounting policies—in particular, changes in accounting policies that result from agenda decisions published by the IFRS Interpretations Committee. Specifically, the Board considered whether it should provide further exceptions in IAS 8 for retrospective application of voluntary changes in accounting policies, either for all voluntary changes in accounting policies or only for those changes that result from agenda decisions.
2. The Board tentatively decided to amend IAS 8 to lower the impracticability threshold regarding retrospective application of voluntary changes in accounting policies that result from agenda decisions (Alternative II discussed in Agenda paper 12B of the Board’s June 2017 meeting—reproduced in Agenda Paper 11A of this meeting). The proposed threshold would include a consideration of the benefits and costs of applying the change retrospectively. The Board also tentatively decided not to address whether a change that results from an agenda decision is the correction of an error or a voluntary change in an accounting policy.
3. The Board will further discuss the proposed new threshold at a future meeting.

4. Agenda Paper 11A reproduces Agenda Paper 12B for the Board's June 2017 meeting. Agenda Paper 11B reproduces the Addendum to that board paper. The addendum summarises feedback from members of the IFRS Interpretations Committee—the Committee discussed Agenda Paper 12B at its meeting in June 2017.
5. We would like to ask members of the Accounting Standards Advisory Forum (ASAF) for feedback on the Board's tentative decisions and matters included in Agenda Paper 12B. We will then provide this feedback to the Board when it discusses the matter at a future meeting.

Questions for members of the ASAF

1. Do you think that the Board's tentative decision to lower the impracticability threshold for voluntary changes in accounting policies that result from agenda decisions would help facilitate entities changing their accounting to reflect explanatory material in agenda decisions? Please explain why or why not.
2. Do you agree that the proposed threshold should include a consideration of the benefits and costs of applying the change retrospectively? Please explain why or why not.
3. Do you have any comments on other aspects of Agenda Paper 12B of the Board's June 2017 meeting?