

STAFF PAPER

May 2018

IFRS® Interpretations Committee Meeting

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

Objective of this paper

- The objective of this paper is to provide the IFRS Interpretations Committee (Committee) with an update on the current status of matters that the Committee will not discuss at its meeting in May 2018. We have split the work in progress into ongoing matters and new matters.

Ongoing matters

- The following table summarises projects that the Committee is actively working on, but for which an analysis is not presented at this meeting.

Ongoing Matters		
Standard	Topic	Brief description
IAS 12	Deferred tax – tax base of assets and liabilities	<p>The Committee discussed a request about the recognition of deferred tax when a lessee (entity) recognises an asset and liability at the commencement date of a lease applying IFRS 16 <i>Leases</i>. The request describes a fact pattern in which the lease payments and decommissioning costs are deductible for tax purposes when paid.</p> <p>In March 2018 the Committee decided to research developing an Interpretation aimed at addressing the question.</p>

Ongoing Matters		
Standard	Topic	Brief description
IAS 37	Costs considered in assessing whether a contract is onerous	In November 2017, the Committee decided to add a narrow-scope standard-setting project to its agenda. The objective of the project is to clarify the meaning of the term ‘unavoidable costs’ in the definition of an onerous contract in IAS 37.

New matters

3. The following table summarises any matters received but not yet presented to the Committee. We have sent outreach requests for these topics to securities regulators, members of the International Forum of Accounting Standard-Setters and the global IFRS technical teams of the international networks of the large accounting firms.

New Matters		
Standard	Topic	Brief description
IAS 23	Expenditures to which the capitalisation rate is applied	Whether to capitalise interest on expenditures made before incurring general borrowings.
IAS 23	Borrowing costs on expenditures for land	Whether to capitalise borrowing costs incurred for the purchase of land during the construction of a building on that land.

4. The table does not include requests that are still at a preliminary research stage. It therefore excludes requests for which further information is being sought from the submitter or other parties to define the request more clearly.

Question
Does the Committee have any questions or comments?