

**April 2001**

## **Board Meeting Highlights**

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The International Accounting Standards Board met in London, UK, on 18-20 April 2001, when it:

- approved a resolution to adopt the existing body of International Accounting Standards and Interpretations issued by the Board of the International Accounting Standards Committee and the Standing Interpretations Committee;
- agreed a proposed statement on the status of 'black letter' and 'grey letter' paragraphs within those standards;
- received reports and presentations from IASB Staff on various projects in progress at IASB; and
- made certain tentative agenda decisions.

## **Adoption of existing IAS and Interpretations**

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The IASB approved the following resolution:

"All Standards and Interpretations issued under previous constitutions continue to be applicable unless and until they are amended or withdrawn. The International Accounting Standards Board may amend or withdraw International Accounting Standards and SIC Interpretations issued under previous constitutions of IASC as well as issue new Standards and Interpretations."

The effect of this resolution is that all IASC Standards and SIC Interpretations in effect as of 1 April 2001 (the date on which the IASB assumed its duties) remain in effect until they are amended or withdrawn by the IASB.

The IASB announced that the IASC Foundation Trustees have agreed that accounting standards issued by IASB shall be designated "International Financial Reporting Standards".

## **Statement by the IASB**

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The IASB agreed a proposed statement on the relative status of 'black letter' and 'grey letter' paragraphs in International Accounting Standards. This proposed statement will be incorporated in proposed revisions to the Preface to Statements of International Financial Reporting Standards. The proposed revisions will be discussed by the IASB at a future meeting and exposed for public comment.

The IASB agreed that the standards include paragraphs in bold italic type and plain type, which have equal authority. They consider that paragraphs in bold italic type indicate the main principles while those in plain type explain those main principles or their application in a particular situation. An

individual Standard should also be read in the context of the Objective stated in that Standard and the Preface.

## **SIC Interpretations**

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SIC-D26, SIC-D27 and SIC-D28 will likely not be issued in their current form. The IASB expressed a desire for more direct involvement in the development of interpretations than took place with the predecessor IASC Board. The IASB will discuss the future relationship between SIC and IASB, based on a paper to be provided by the SIC, at the May IASB meeting. The issues addressed in SIC-D26 and SIC-D28 may be addressed in the improvements project (see below), while the IASB believed that the scope of SIC-D27 was too narrow and perhaps should be discontinued.

## **IAS 39 Implementation Guidance**

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IASB received a report on the work and procedures of the IAS 39 Implementation Guidance Committee (IGC).

The IASB agreed that the IGC should continue to finalise its current work under its existing operating procedures. In addition, the committee will be asked to raise any particularly controversial issues for IASB to discuss before they are issued as final guidance.

## **Discussion of Agenda Projects**

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The IASB received presentations from the IASB Staff on the following proposed agenda projects. The presentations were informational only, and no technical decisions were made.

- Proposals by Joint Working Group of Standard Setters on Financial Instruments 'Draft Standard and Basis for Conclusions' on Financial Instruments and Similar Items;
- Present Value;
- Insurance Contracts;
- Reporting Financial Performance;
- Improvements Project;
- Bank Presentation and Disclosures;
- Leases; and
- Share-Based Payment.

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Tel: +44 (020) 7353-0565; Fax: +44 (020) 7353-0562;  
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ISSN 1474-2675**

## Agenda Planning

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The IASB discussed possible approaches to setting its technical agenda, identifying potential projects as precedential (critical), convergence-related, leadership and improvements. Tentative allocation to each category was made and the IASB asked the Staff to prepare papers for further discussion at its May meeting.

*Precedential* projects are likely to include†:

- the Framework;
- liability recognition;
- revenue recognition; and
- reporting financial performance.

*Convergence* projects may include†:

- business combinations;
- consolidation policy; and
- revaluation of non-financial assets;

*Leadership* projects may include†:

- banks
- extractive industries;
- financial instruments;
- insurance contracts;
- intangible assets;
- leases;
- present value; and
- share-based payments.

An ‘*improvements*’ project may include limited revisions to most existing Standards to remove internal inconsistencies and implicit and explicit alternatives. Where appropriate, matters raised by IOSCO and national standard setters will be addressed within the project. The improvements project is expected to address topics that can be dealt with relatively quickly, and are not significant enough to be a major project on their own or to be part of a major convergence project.

† *Please note that the IASB has not concluded definitively on any aspect of its technical agenda.*

## Meeting with National Chairs

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The IASB will meet with the chairs of the national standard setters having Liaison relationship with the IASB on 24 May 2001. Details of the agenda will be posted to the IASB website ([www.iasb.org.uk](http://www.iasb.org.uk)) in due course.

## Next Meeting

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The IASB will next meet **21-25 May 2001** in London, UK. The meeting will be held at the Kingsway Hall Hotel, Great Queen Street, London WC2B 5BX. Agenda details and Observer registration information has been posted to the IASB Website, [www.iasb.org.uk](http://www.iasb.org.uk).

Subsequent IASB meetings are expected to be as follows:

- London, 26-28 June 2001
- London, 23-27 July 2001
- London, 11-13 September 2001
- Washington, DC, 15-19 October 2001
- London, 27-29 November 2001
- Paris, France, 18-20 December 2001