

STAFF PAPER

May 2012

IFRS Interpretations Committee Meeting

Project	IAS 37 Provisions, Contingent Liabilities and Contingent Assets		
Paper topic	IFRIC draft Interpretation X <i>Levies charged by public authorities on entities that operate in a specific market</i>		
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This paper has been prepared by the staff of the IFRS Foundation for discussion at a public meeting of the IFRS Interpretations Committee. Comments made in relation to the application of an IFRS do not purport to be acceptable or unacceptable application of that IFRS—only the IFRS Interpretations Committee or the IASB can make such a determination. Decisions made by the IFRS Interpretations Committee are reported in IFRIC *Update*. The approval of a final Interpretation by the Board is reported in IASB *Update*.

Cover note

1. At the January 2012 meeting, the IFRS Interpretations Committee (‘the Committee’) tentatively decided to develop an interpretation on the accounting for levies charged by public authorities on entities that operate in a specific market.
2. At the March 2012 meeting, the Committee considered the draft Interpretation that the staff had prepared. The Committee members agreed with the principles developed in the draft Interpretation. The Committee asked the staff to prepare a ballot draft Interpretation on which the Committee would vote at the May 2012 meeting. This ballot draft Interpretation is presented as Agenda paper 4A and takes into account comments sent by the Committee members after the March 2012 meeting.
3. According to the IFRS Interpretations Committee *Due Process Handbook*, a consensus is achieved when no more than four Committee members have voted against the ballot draft Interpretation. It should be noted that a draft Interpretation can be released for public comment unless four or more IASB members object within a week of being informed of its completion. The ballot draft Interpretation in Agenda paper 4A has been sent to the Board members for information. After

the May Committee meeting, we will inform the Board of the results of the Committee's vote.

4. If the Committee agrees to publish the draft Interpretation for public comment, we propose a comment period of at least 90 days from the date of publication of the draft Interpretation. We also propose to ask the following questions in the exposure draft:
 - (a) Question 1: Do you agree with the Committee's proposals in the draft Interpretation? If not, why and what alternative do you propose?
 - (b) Question 2: Do you agree with the proposed transitional provisions and effective date as described in the draft Interpretation? If not, why and what alternative do you propose?

Question for the Committee

Does the Committee agree to publish for public comment the draft Interpretation presented in Agenda paper 4A?