

STAFF PAPER

18–22 March 2013

IASB Meeting

Project	Annual Improvements to IFRSs—2010-2012 Cycle (ED/2012/1) comment letter analysis (part 2)		
Paper topic	Cover note		
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Introduction

1. The IASB published its Exposure Draft (ED) *Annual Improvements to IFRSs 2010-2012 Cycle* (ED/2012/1) in May 2012. The comment period ended on 5 September 2012 and the IASB received 84 comment letters.
2. The ED proposed a total of 11 amendments to IFRSs:
 - (a) IFRS 2 *Share-based Payment*—Definition of ‘vesting condition’;
 - (b) IFRS 3 *Business Combinations*—Accounting for contingent consideration in a business combination;
 - (c) IFRS 8 *Operating Segments*—Aggregation of operating segments;
 - (d) IFRS 8 *Operating Segments*—Reconciliation of the total of the reportable segments’ assets to the entity’s assets;
 - (e) IFRS 13 *Fair Value Measurement*—Short-term receivables and payables;
 - (f) IAS 1 *Presentation of Financial Statements*—Current/non-current classification of liabilities;
 - (g) IAS 7 *Statement of Cash Flows*—Interest paid that is capitalised;
 - (h) IAS 12 *Income Taxes*—Recognition of deferred tax assets for unrealised losses;

- (i) IAS 16 *Property, Plant and Equipment*, IAS 38 *Intangible Assets*—Revaluation method—proportionate restatement of accumulated depreciation;
 - (j) IAS 24 *Related Party Disclosures*—Key management personnel; and
 - (k) IAS 36 *Impairment of Assets*—Harmonisation of disclosures for value in use and fair value less costs of disposal.
3. At its meeting in December 2012, the IASB tentatively decided that:
- (a) the accounting for deferred tax assets for unrealised losses should not be clarified as part of annual improvements but by a separate narrow-scope amendment to IAS 12; and
 - (b) the proposed amendment ‘IAS 36 *Impairment of Assets*—Harmonisation of disclosures for value in use and fair value less costs of disposal’ should be incorporated into the project ‘Recoverable Amounts Disclosures for Non-Financial Assets’.
4. At the February 2013 IASB meeting, the IASB tentatively decided to finalise the following four proposed amendments, subject to some minor wording amendments:
- (a) IFRS 2 *Share-based Payment*—Definition of ‘vesting condition’;
 - (b) IFRS 8 *Operating Segments*—Aggregation of operating segments;
 - (c) IFRS 8 *Operating Segments*—Reconciliation of the total of the reportable segments’ assets to the entity’s assets; and
 - (d) IFRS 13 *Fair Value Measurement*—Short-term receivables and payables.
5. At the March 2013 IASB meeting, we want to present and discuss with the IASB the Interpretations Committee’s recommendations on how to proceed with the following proposed amendments to IFRSs:
- (a) Agenda Paper 2A: IAS 24 *Related Party Disclosures management personnel*—Key management personnel; and
 - (b) Agenda Paper 2B: IAS 1 *Presentation of Financial Statements*—Current/non-current classification of liabilities.

6. We plan to present and discuss the Interpretations Committee's recommendation on how to proceed on the following issues at a future meeting:
- (a) IFRS 3 *Business Combinations*—Accounting for contingent consideration in a business combination;
 - (b) IAS 7 *Statement of Cash Flows*—Interest paid that is capitalised; and
 - (c) IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*—Revaluation method—proportionate restatement of accumulated depreciation.