

Update on
250th Accounting Standards Board Meeting
December 13, 2018, New Delhi

(I) IFRS Convergence

(i) **Ind AS / IFRS Copyright Agreement:** Under the dynamic and able leadership of President, ICAI and Chairman, ASB, the ICAI successfully concluded the long pending copyright matter with IFRS Foundation. The signing ceremony of Memorandum of Understanding (MOU) and Licence Agreements with IFRS Foundation was held in London on the historic day 2nd October, 2018, being 150th birth anniversary of the Father of our Nation, Mahatma Gandhi, and was attended by ICAI representatives. This MOU, which was signed by ICAI on behalf of Ministry of Corporate Affairs (MCA), Government of India, formalises the mutual understanding and acceptance about the rights of each of the parties in the copyrights in IFRS Standards and Ind AS. Consequently, ICAI is now in a position to print and publish Compendium of Ind AS. The First edition of the Compendium is planned to be released in the ICAI Council meeting scheduled to be held on December 17-18, 2018.

(ii) **Comments to be submitted on Discussion Paper on *Financial Instruments with Characteristics of Equity (FICE)* to IASB (last date of comments being January 7, 2018):** A Study Group was constituted under the convenorship of Chairman, ASB to formulate comments on the Discussion Paper. To obtain the industry feedback on the Discussion paper, two Stakeholder Outreach Programs were conducted on November 27, 2018, at Mumbai and on December 12, 2018 at New Delhi which were attended by participants comprising of the preparers, auditors and regulators. The comments and implementation issues provided by the participants were noted for formulating comments on the Discussion Paper. The Board noted the comments prepared by the Study Group on the basis of discussions held and comments received from outreach programs. The Board authorised Chairman, ASB, to finalise the comments to be submitted to IASB.

(II) AS Upgradation:

The Board considered the comments received on following Exposure Drafts (EDs) and after deliberations authorised the Chairman, ASB, to finalise the EDs on the basis of discussions held for placing before the Council for its consideration:

- (i) Exposure Draft of upgraded Accounting Standards (AS) 38, *Intangible Assets*
- (ii) Exposure Draft of upgraded Accounting Standards (AS) 40, *Investment Property*

(III) Other Developments

(i) International Developments:

- **Accounting Standards Advisory Forum (ASAF) appointment:** CA. S.B. Zaware, Chairman, ASB, Vice Chair, Asian Oceanian Standard Setters Group (AOSSG), has been nominated to represent AOSSG at ASAF a critical consultative body of IASB & IFRS Foundation, for a period of 3 years from 1.12.2018 to 30.11.2021.
- **IFRS Advisory Council appointment:** During November 2018 IFRS Foundation Trustees have announced appointment of Vice Chairman, ASB as a member of IFRS Advisory Council (The Council) representing South Asian Federation of Accountants (SAFA). The Council advises the IFRS Foundation Trustees and the IASB on both strategic and technical matters one consists of over 40 representatives from various groups that are affected by and interested in international financial.
- The Board noted that at the 10th Annual AOSSG meeting held at Singapore from November 20 – 22, 2018, matter related to ‘Accounting Issues involved in Bullion (Gold) Lending and Borrowing’ was discussed and a presentation on the same was also been made. The IFRS Interpretations Committee (IFRIC) submitted that the matter has been closed for the time being. However, since diversity in practice is being observed and in view of the fact that no IFRS/IAS specifically addresses this issue, it was proposed that IASB should consider taking this as an active project on the subject. In this regard, IASB representatives informed that the IASB will be taking a broader project on Commodity lending which inter-alia deals with this issue. The Board decided that in the meanwhile Technical Guide may be formulated to provide guidance on accounting for Bullion (Gold) lending and borrowing.

(ii) Others:

- The Board continued its discussions from its last meeting on the FAQ issued regarding treatment of Dividend Distribution Tax (DDT) in context of the Amendments to Ind AS 12, *Income Taxes*, corresponding to amendments to IAS 12 as a part of Annual Improvements to IFRS Standards 2015-17cycle. After detailed discussions, the Board decided to place its recommendations before the Council for further deliberations.
- Certain other matters, such as, matter received from Ministry of Corporate Affairs (MCA) and issues referred by Expert Advisory Committee (EAC) were also considered by the Board.
