Updates on 257th Accounting Standards Board (the Board) Meeting

257th Accounting Standards Board Meeting held on November 11, 2019, Hotel Cidade De Goa, Goa

(I) 11th AOSSG Annual meeting held at Hotel Cidade De Goa, Goa:

The Chairman apprised the Board about the 11th AOSSG Annual Meeting scheduled to be held on November 11-13, 2019 at Goa, where India represented by CA. (Dr.) S.B. Zaware, Former Chairman, ASB will take-over as Chair, AOSSG for a period of two years (i.e.2019-21) at the inaugural session scheduled to be held on November 12, 2019 and that Mr. Nishan Fernando of The Institute of Chartered Accountants of Sri Lanka will be taking over as Vice Chair of AOSSG for a period of two years.

The Chairman apprised that Hon'ble Chief Minister of State of Goa, Shri. (Dr.) Pramod Sawant will be gracing this momentous occasion and also inaugurate the 11th AGM of AOSSG. The Chairman invited all the Board members to attend the said inaugural session tomorrow at 9 A.M. The Board noted that over 60 delegates from 20 member countries will be participating in AOSSG annual meeting.

It was noted the AOSSG is one of the important consultative bodies of IASB and IFRS Foundation and it is a member of Accounting Standards Advisory Forum (ASAF), a critical sounding board of IASB on technical matters. ICAI is a founder member of AOSSG which was established in 2009 and AOSSG has currently membership of 27 countries of the region and includes other key economies like Australia, China, Hong Kong, Japan, Malaysia, Singapore and South Korea.

The Chairman also apprised about a survey on Ind AS 116 amongst Indian stakeholders and on IFRS 16 amongst various jurisdictions of AOSSG conducted by ICAI as a sub-working group member of AOSSG. It was noted that the focus of the survey was to understand application/choices exercised by entities while applying IFRS 16/Ind AS 116 and Implementation issues, if any. The Board also noted that a presentation on the said survey will be presented at the aforementioned AOSSG meeting on November 12, 2019.

(II) Revision of existing Accounting Standards: With regard to revision of existing AS, a Group of few Council members was constituted and after deliberations at the three meetings, the Group had finalised its report which was considered by the Council at its last meeting held on November 5-6, 2019. The Council after due deliberations on the Report suggested a Roadmap for implementation of Revised AS. The said road map is subject to Banks and Insurance Companies following Ind AS by FY 2022-23. The Council advised ASB to formulate the revised Accounting Standards using the Approach Paper earlier approved by the Council & NACAS and taking into consideration the recommendations of the Group.

(III) IFRS Standards and Ind AS

- The Board discussed the comments received on the Exposure Draft on Deferred Tax related to Assets and Liabilities arising from a Single Transaction (amendments to IAS 12) issued by IASB. The Board agreed with the changes proposed by the IASB in IAS 12 and decided to submit its comments regarding agreement with the proposed amendments to the IASB.

- The Board discussed the proposed amendments on Disclosure of Accounting Policies (Proposed amendments to IAS 1 and IFRS Practice Statement 2) issued by IASB and the comments received from Indian stakeholders on the said Exposure Draft. The Board did not agree with the IASB's proposal in Paragraph 117A that 'not all accounting policies relating to material transactions, other events or conditions are themselves material to an entity's financial statements.' Accordingly, the Board decided to suggest IASB to delete the second sentence of paragraph 117A. The Board authorised the Chairman to finalise the views on the basis of the discussions held at the meeting and submit the same to IASB.

- The Board discussed the Exposure Draft of Interest Rate Benchmark Reform - Amendments to Ind AS 109 and Ind AS 107 corresponding to Amendments to IFRS 9 and IFRS 7 issued by IASB and comments received from Indian stakeholders on the said Exposure Draft. No changes to the Exposure Draft were considered necessary. The Board authorised the Chairman to finalise the amendments for placing the same before the Council for its consideration.

- The Board noted that following five (5) Tentative Agenda Decisions (TAD) were issued by IFRS Interpretations Committee (IFRS (IC)) for comments:
  (i) Training Costs to Fulfill a Contract (IFRS 15)
  (ii) Definition of Lease: Shipping contract (IFRS 16)
  (iii) Presenting Comparative Amounts when a Foreign Operation First becomes Hyperinflationary
  (iv) Translation of a Hyperinflationary Foreign Operation: Presenting Exchange differences (IAS 21 and IAS 29)
  (v) Cumulative Exchange Difference arising before a Foreign Operation becomes Hyperinflationary

  Considering the paucity of time, the Board could not discuss the TAD in detail and decided to deliberate the TADs within a Group of Members in detail and authorised Chairman to finalise the views for submission to IFRS IC.

(II) Others

- The Board noted that pursuant to the notification of Ind AS 116, *Leases* and amendments in other Ind AS vide Companies (Indian Accounting Standards) Amendments Rules, 2019, and the Companies (Indian Accounting Standards) Second Amendments Rules, 2019; the Publication of Ind AS Disclosure Checklist had been revised. The Board authorised the Chairman and Vice-Chairman of the Board to finalise the Publication for its issuance.

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