

Exposure Draft

Accounting Standards Board

Proposed International Financial Reporting Standards

Annual Improvements to IFRS Standards 2015 – 2017 Cycle

February 2017

**COMMENTS TO THE IASB AND THE AcSB MUST BE RECEIVED BY
APRIL 12, 2017**

Respondents are asked to email their comment letters (in a Word file) to: ed.accounting@cpacanada.ca. Please address your comments to:

**Rebecca Villmann, CPA, CA,
CPA (Illinois)
Director, Accounting Standards
Accounting Standards Board
277 Wellington Street West
Toronto, Ontario M5V 3H2**

This Exposure Draft reflects proposals made by the International Accounting Standards Board that the Accounting Standards Board (AcSB) intends to adopt, subject to deliberating comments received, as Canadian generally accepted accounting principles.

Individuals and organizations are invited to send written comments on the Exposure Draft proposals. Comments are requested from those who agree with the Exposure Draft as well as from those who do not.

Comments are most helpful if they are related to a specific paragraph or group of paragraphs. Any comments that express disagreement with the proposals in the Exposure Draft should clearly explain the problem and include a suggested alternative, supported by specific reasoning. All comments received by the AcSB will be available on the web site shortly after the comment deadline, unless confidentiality is requested. The request for confidentiality must be stated explicitly within the response.

Highlights

The Accounting Standards Board (AcSB) proposes, subject to comments received following exposure, to incorporate into Part I of the CPA Canada Handbook – Accounting, amendments to International Financial Reporting Standards (IFRSs) that result from the Exposure Draft recently issued by the International Accounting Standards Board (IASB).

IASB Exposure Draft

The IASB recently issued an Exposure Draft, “[Annual Improvements to IFRS Standards 2015 – 2017 Cycle](#)” that is available on the IASB website at www.ifrs.org. The Introduction to that Exposure Draft explains how the IASB’s Annual Improvements project resulted in proposing the following amendments to IFRSs:

- IAS 12 *Income Taxes* — clarifying that an entity should account for all income tax consequences of dividends in the same way, regardless of how the tax arises;
- IAS 23 *Borrowing Costs* — clarifying which borrowing costs are eligible for capitalization as part of the cost of an asset in particular circumstances; and
- IAS 28 *Investments in Associates and Joint Ventures* — clarifying that an entity should apply IFRS 9 *Financial Instruments* to long-term interests in an associate or joint venture to which it does not apply the equity method.

The IASB’s Exposure Draft includes a Basis for Conclusions document for each proposed amendment and consequential amendments to the Basis for Conclusions on IAS 32 *Financial Instruments: Presentation* that are not part of this Exposure Draft. The Basis for Conclusions may provide useful information to stakeholders.

Comments requested

The AcSB encourages Canadian stakeholders to respond to the IASB on its Exposure Draft. Specific questions on which the IASB would like input are provided in the Invitation to Comment in its Exposure Draft. The AcSB requests that comment letters be sent directly to the IASB with a copy to the AcSB.

The AcSB would like input from Canadian respondents on the following additional question regarding the proposed amendments:

The IASB has developed the proposed amendments in accordance with its due process for application around the world. Assuming the Exposure Draft proposals are finalized and approved by the IASB in accordance with its due process, do you think that the proposed amendments are appropriate for application in Canada? If not, please specify which aspects of the proposed amendments, and what circumstances, make the accounting requirements proposed in the Exposure Draft inappropriate.

Responses to this additional question should be sent directly to the AcSB.

You may email your comments (in a Word file) to: ed.accounting@cpacanada.ca.

The deadline for responding to the IASB on its Exposure Draft is April 12, 2017.

Responses to the AcSB on the additional question set out above are due on the same date.

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