

# Opening Remarks and Updates

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## Extract, IFRS Discussion Group Report on Meeting – September 28, 2011

### **The IFRS Discussion Group's Mandate**

At the June 2011 meeting, members considered how to clarify the Group's objectives and improve communications to stakeholders. The Group recommended that the AcSB change the Group's purpose and responsibilities to explicitly include an objective to raise awareness of issues arising in Canada from the application of IFRSs as issued by the IASB. The AcSB considered the Group's recommendation and the issue of communications with stakeholders at its July 2011 meeting.

The AcSB agreed with the Group's recommendation to expand the Group's mandate to include raising awareness in Canada of issues arising from the application of IFRSs as issued by the IASB that are not expected to result in a submission to the IFRS Interpretations Committee or the IASB. The AcSB also approved the Group's request to issue more detailed meeting reports that would provide more value to stakeholders. The AcSB emphasized that the expanded meeting reports are not authoritative and should reflect research conducted by the Group's members and comments made in its meetings that would assist Canadians in exercising their judgment when IFRSs permit a choice.

### **IAS 17: Changes in the Terms of an Operating Lease Agreement**

At the June 2011 meeting, Group members discussed whether a modification to the terms of an operating lease agreement should be viewed as a continuation of an existing lease or creation of a new lease. Although members noted some diversity may emerge in the short-term, the Group recommended that this issue not be brought to the attention of the IFRS Interpretations Committee because diversity is not expected after the new standard on leases is issued and in effect.

After the Group's June 2011 meeting, the AcSB staff had the opportunity to bring the issue to the attention of the IASB project staff. The IASB staff will consider the examples discussed by the Group and whether to clarify the proposed guidance. A re-exposure draft on leases is expected and AcSB staff will follow up on this issue when the re-exposure draft is issued.

### **Update on Outreach Requests from the IFRS Interpretations Committee Staff**

As noted at the Group's June 2011 meeting, the responsibilities of the Group include providing information on requests for advice from the IASB, national standards setters or similar bodies regarding eligibility of issues for possible IFRS Interpretations Committee interpretations.

AcSB staff circulate these outreach requests to Group members and ask for information about the prevalence of the issue in Canada and the level of diversity in practice that forms the basis for the AcSB staff response to the IFRS Interpretations Committee staff on each issue.

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Since the Group's June 2011 meeting, the AcSB staff responded to three outreach requests and the IFRS Interpretations Committee continued its work on these issues at its September 2011 meeting:

- IFRS 3 *Business Combinations* – definition of a business;
- IFRS 11 *Joint Arrangements* – acquisition of interest in a joint operation; and
- IAS 7 *Statement of Cash Flows* – classification of business combination cash flows.

For further details, refer to the work in progress section in the [September 2011 IFRIC Update](#).