



**Minutes of a meeting of the Accounting Standards Board (2011:08)
held on 7 July 2011 at Aldwych House, 71-91 Aldwych, London, WC2**

PRESENT

Roger Marshall	Chairman
David Loweth	Technical Director
Nick Anderson	
Edward Beale	
Peter Elwin	
Ken Lever	
Robert Overend	
Andy Simmonds	
Pauline Wallace	

IN ATTENDANCE

Richard Carter	BIS (for item 1)
Robert Inglis	Project Director, BAS (for item 2)
Michael Kavanagh	IAASA Observer
Andrew Lennard	ASB Research Director
Alison Ring	HMRC
Chris Wobschall	HM Treasury
Simon Peerless	Minutes Secretary

Technical Staff: Jenny Carter, Grant Chatterton, Jennifer Guest, Deepa Raval, Michelle Sansom and Joanna Spencer.

- 1 FUTURE OF FINANCIAL REPORTING IN THE UK AND ROI
 - 1.1 The Board considered a paper that reviewed how its tentative decisions, made on 16 June 2011, would affect the draft impact assessment.
 - 1.2 The Board:
 - a. noted that its tentative decisions represented a significant change from its proposals in the FRED and that in comparison with its proposals in the FRED the implementation costs should be reduced; and
 - b. agreed to review the project's objectives at a future meeting in view of changes being made to the proposals.
 - 1.3 The Board considered changes that may be required to its proposals following its tentative decision to remove the definition of public accountability.

- 1.4 The Board:
 - a. commissioned staff to develop proposals that addressed which entities should be eligible to apply the reduced disclosure framework (that is a revised definition of a qualifying subsidiary) and which entities might need to provide additional disclosures to those set out in the FRSME;
 - b. tentatively decided to retain the proposals for a reduced disclosure framework as set out in the FRED, subject to the above;
 - c. tentatively decided the SORPs should be specifically referred to in the FRSME in relation to selection of an accounting policy;
 - d. commissioned staff to update its policy for developing the Statements of Recommended Practice (SORPs); and
 - e. tentatively agreed that entities applying the reduced disclosure framework should follow the SORPs.
- 1.5 The Board agreed to consider the following issues at its next meeting:
 - a. updating the draft impact assessment, including the project objectives;
 - b. the definition of entities eligible for the reduced disclosure framework and those entities that may be required to provide additional disclosures; and
 - c. initial findings in relation to the Board's proposals and company law.
- 2 DISCOUNT RATE TO BE APPLIED IN MEASURING DEFINED BENEFIT OBLIGATIONS FOR PENSION LIABILITIES
 - 2.1 The Board considered a draft paper prepared jointly by the ASB and BAS discussing the discount rate to be applied in measuring defined benefit obligations for pension liabilities.
 - 2.2 The Board made a number of comments on the proposals in the paper.
- 3 MINUTES AND NOTE OF MEETING
 - 3.1 The minutes of the meeting held on 16 June 2011 (2011:07) were agreed and approved for publication.
- 4 TECHNICAL DIRECTOR'S UPDATE AND REPORTS
 - 4.1 The Board received an update on IASB and further international accounting developments, EFRAG and other European developments, and FRC developments.
 - 4.2 The Board noted:

- a. the IFRS Foundation Trustees proposals for the revised membership of the IFRS Advisory Council;
- b. the commencement of the term of office of the new chairman and vice-chairman of the IASB and the revised work-plan issued by the IASB;
- c. progress on the SEC's proposals for the adoption of IFRS for use by US entities;
- d. progress towards the adoption of IFRS in Japan;
- e. international views on the accounting treatment of Greek Government debt;
- f. the agenda for EFRAG's TEG on 13-15 July;
- g. the Accounting Regulatory Committee's meeting on 23 June;
- h. the revised timing of implementation of the EU Solvency II regime;
- i. agenda items for the FRC Board meeting on 14 July; and
- j. the forthcoming publication of a paper on the true and fair view.

4.3 The Board noted the Status Report and approved its publication.

5 RESEARCH ACTIVITIES AND DEVELOPMENTS

5.1 The Board received an update on recent research projects and related activities.

6 EFRAG AND IASB UPDATE REPORTS

6.1 The Board noted the 'Update' reports of:

- a. the meetings of EFRAG's Consultative Forum of Standard-Setters (CFSS) and Technical Experts Group (TEG) on 8 June, and TEG on 9-10 June;
- b. the 31 May-2 June meeting of the IASB, mostly held in joint session with the FASB; and
- c. the 13-15 June meeting of the IASB, in joint session with the FASB.

7 REPORTING REGIME FOR MICRO-ENTITIES

7.1 The Board considered a draft FRC paper setting out proposals for a reporting regime for micro entities.

7.2 The Board made a number of comments on the proposals and asked for them to be conveyed to the FRC.

8 APPOINTMENT TO THE BOARD'S FINANCIAL SERVICES AND OTHER SPECIAL INDUSTRIES COMMITTEE

8.1 The Board approved the appointment of Robert Seward, Technical Specialist in the Accounting & Audit Policy Team, FSA, to the Financial Services and Other Special Industries Committee (FSOSIC) as FSA representative to that committee, for a two-year term to 30 June 2013.

9 NEXT MEETING

The Board noted the proposed agenda for the next meeting on Thursday 21 July at 9.00 a.m.