

# Oil Industry Accounting Committee

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MEETING HELD AT 15.00 P.M. ON THURSDAY 5 SEPTEMBER 2013

## **Status of the SORP**

- Following conversations with the ASB it was concluded that there is no need to update the SORP. Latest version of FRS 102 refers to IFRS 6 rather than the SORP.
- It was agreed that we will keep the SORP on the OIAC website for a point of reference along with a statement that once companies cease to apply the original UK GAAP the SORP is no longer applicable.
- The Committee agreed that the last “gap” not covered by IFRS or the new UK GAAP standards is in respect of reserves reporting, both in respect of ‘definitions’ and ‘disclosures’.

## **Role of the OIAC going forward**

- It was agreed that, where a consensus can be reached by the Committee, OIAC could have a purpose in providing ‘guidance notes’ on topics that we think the Industry would benefit from some best practice guidance/ industry context. Where there are a variety of options/ opinions we could publish ‘discussion papers’.
- The Committee agreed that if there were a lot of different views between the OIAC members related to IFRS, the Committee could write to IFRIC to raise as a point for them to consider.
- The current topics on the list to discuss are:
  - i) The accounting and deferred tax treatment of the new field allowances;
  - ii) The accounting for the provisions for decommissioning when an asset is acquired, once the new tax relief guarantees are in place; and
  - iii) Country by Country reporting requirements – in particular how it will be applied for Joint Arrangements

## **Other sector and emerging issues**

- The Committee discussed the OIAC response on the Leases ED. It was agreed that the key points relevant to the Oil & Gas Industry are:
  - i) Is IFRIC 4 preferable to the current standard; and
  - ii) What is the accounting treatment for leases used in Joint Operations.