

Countdown

Deloitte Canada's IFRS transition newsletter



Welcome to the February 2010 issue of Countdown!

For those of you with a calendar year-end, you have likely been busy the last few weeks getting your 2009 financial statement audit out of the way, and are now re-connecting with your IFRS conversion process.

As the countdown to 2011 continues and anticipation regarding IFRS implementation rises, our lead article focuses on the potential pressures of the IFRS conversion process and discusses ways to reduce the stress of IFRS conversion.

Lightyear is writing its year-end management's discussion and analysis (MD&A) this month, with assistance from their Deloitte advisors to ensure they are disclosing sufficient and appropriate information to meet regulatory and marketplace expectations.

As always, we want to continue to understand and meet your needs, so please submit ideas regarding matters that you would like to see us address in Countdown to deloitteifrs@deloitte.ca.

See you again in March!



Don Newell
National Leader - IFRS services

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Under Pressure?

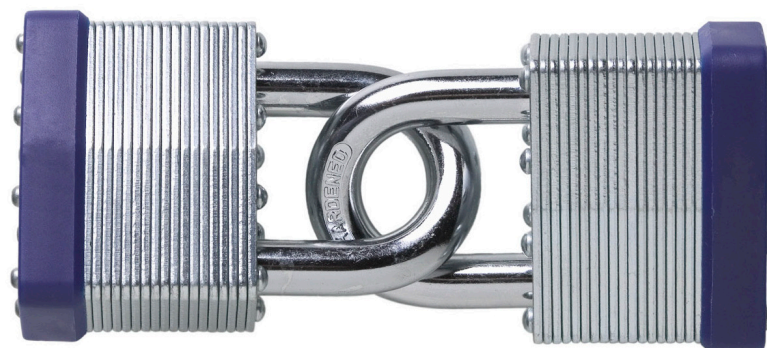
Taking the Stress out of IFRS!

We know that historically the adoption of a significant new accounting standard is challenging for many organizations, especially under tight time frames, and the entire process can put pressure on the overall accounting and finance functions within an organization. During 2010 (and beyond) publicly accountable enterprises have this dilemma but instead of one new standard they have 30 or so new standards, all to be adopted on January 1, 2011 and for the most part on a full retrospective basis. Not to mention restatement of comparatives and the preparation of an opening statement of financial position. To make things more interesting, we have to assume that there will also be some areas where the related standard is currently subject to revisions (e.g. consolidations) but expected to be issued in 2010 or 2011 with an ability or requirement to be adopted on January 1, 2010. Throughout this process is, of course, the need to ensure internal controls are not compromised, any systems matters are addressed and internal (e.g. budgets and compensation) and external (e.g. banking and hedging) arrangements are reviewed to capture these changes. Last but not least, the business operations and regular reporting under current Canadian generally accepted accounting principles (GAAP) must function as normal, in what has been (and continues to be) a tough economic environment.

The events above are one possible description of IFRS transition in Canada and a fact pattern that is very familiar to many of us who are entrenched in the transition process. There has been a lot to deal with over the last couple of years, and both this year and next year will continue to provide challenges, with the culmination of the changeover process and the published results making their way into the marketplace. Building on the above, we'll look more closely below at the common IFRS stressors, as well as some more general considerations, and offer some practical ways of staying on track and under control.

Looking for the Signs

Stress creeps up on us all in many ways, and quite often we are not able to detect it or may not even be aware of the early warning signs. With IFRS and the changing environment come numerous additional and new tasks, resulting in *increased workloads and competing demands* placed on individuals. This may



be further intensified by a *lack of resources* and the pressure to meet all of the *expectations from various stakeholders*. These additional demands on time may lead to the feeling of a *lack of control* with the project or coordination between the various groups working on the conversion. Although many of us may brush off these signs and don't believe ourselves to be stressed, the body often exhibits signs of stress physically; for instance, fatigue, trouble concentrating, muscle tension and headaches. Ironically, by ignoring the signs of stress, we may actually make the problem worse and increase the stress on the organization as a whole, through general decreased morale, productivity and a diminished workforce through increased time off.

Of course, we acknowledge that some level of stress is normal, acceptable and even good, including for IFRS transition. Deadlines and challenges can be good motivators and, without a deadline for changeover for 2011 and regulatory requirements, it's fair to presume that IFRS would take considerably longer, with the result that there would be mixed GAAPs in the marketplace for some time to come. But stress does need to be managed, and the first stopping point should be those areas which are causing one too many headaches but for which the solution may be easier than you might think.

IFRS Stressors and Solutions

There are many reasons that IFRS and the adoption of these new standards can cause additional stress in our already stressful lives – but there are always ways to de-stress. Some of these reasons and potential solutions are:

IFRS Stressor	Solution
<p>Keeping up to Date with a Moving Target – IFRSs are constantly changing, and keeping up to date with these and making sure that the required staff are trained and proficient with the standards they will have to deal with adds additional complexities into the current timelines.</p>	<p>Often the stress is not knowing where to look to make sure you're aware of new issues and items. Being aware of where to find information on IFRS transition will at least enable you to perform research as and when needed and alleviate the pressure of feeling like you have to know everything now.</p> <p>Receiving and reading Countdown, Deloitte's monthly IFRS newsletter, and other Deloitte publications are a great first step. Deloitte's IASplus website and the Centre of Corporate Governance website are also excellent sources of information. It is also important to keep in touch with your IFRS specialists so that they can keep you updated. Additionally, Deloitte hosts quarterly technical update webcasts (register below for the first one in 2010 being held on March 23, 2010).</p> <p>Finally, the IASB work plan and projected time table is a great reference for upcoming projects and timelines.</p>
<p>Expectations Management – along with all the changes related to IFRS comes managing the various expectations from regulators, shareholders, analysts, auditors, the audit committee, etc. With the hustle of preparing for IFRS financial statements, disclosures, policy choices etc., there is often a lack of time to properly manage various expectations and this can lead to additional stress. Also, by trying to meet the expectations of everyone, you risk falling short on every level.</p>	<p>Remember that everyone else is in the same boat – or a similar one. Stakeholders are trying to climb up the same IFRS curve as you and have similar pressures and time constraints. Clear and timely communication can be key in alleviating some of these pressures. A good idea is to have a plan in place with a detailed timeline and milestones for the year ahead.</p> <p>For the most part, stakeholders want and need some help in order to understand how IFRS transition impacts the financial statements. The audit committee, for example, will need to have IFRS financial literacy, and also provides a key oversight role, including monitoring organizational stress levels. See our tips later on in "The Real Deal", which attempts to decipher and simply MD&A requirements around IFRS changeover.</p>
<p>Dual Reporting – requires companies to essentially maintain two sets of books, one under Canadian GAAP and one under IFRS for the 2010 year, in order to have comparative information for the first IFRS financial statements in 2011.</p>	<p>Dual reporting is a double edged sword; it adds more reporting requirements in 2010 but forces readiness for 2011 which is when the 2010 IFRS data would actually be reported. Remember that 2010 is your chance for a trial run without any public reporting consequences. Some of the reporting may be effectively layered onto the current Canadian reporting process with maximum leveraging opportunities. See our article on Dual Reporting in last month's edition of Countdown.</p>
<p>Resource Constraints – There is often significant stress related to excessive workloads and not enough people to share the burden with. Despite the additional work created by IFRS, the current economy and general budget cuts at many companies may not allow any capacity to hire additional staff or full time consultants who can be solely dedicated to the IFRS transition. This in turn puts additional pressures and demands on the existing employees of the company, as they all still have their 'day jobs' to do.</p>	<p>Strong project leadership and effective executive sponsorship of the IFRS conversion activities are important when dealing with resourcing issues. This could be someone from inside your organization or like Lightyear you could opt for the Deloitte advisor route. As our resources are specialists in IFRS, it will often take them less time to complete certain tasks than those still learning and trying to get up to speed on IFRS. As well, it allows for targeted support, where and when you need it the most.</p>
<p>Not a Silo – because of the nature of the changes associated with adopting IFRS, it is not work that can be done in silos. There is a significant amount of coordination required between the various groups at each company including: accounting, tax, IT, treasury, operations, the audit committee, internal audit, etc., which can often cause additional strain.</p>	<p>The stress from dealing with multiple groups and the coordination can often be reduced with better communication and strong project management. Regular team meetings between the various groups involved in IFRS implementation are key to ensuring all the teams are on the same page and are working towards the same goals.</p>
<p>Lack of Time – a lack of time can result in poor time management and procrastination within the IFRS project, and both are huge stress inducers. It is hard to stay calm and focused when IFRS along with all your other duties have you stretched too thin and behind schedule on many things.</p>	<p>Specific to IFRS implementation it would be beneficial to have an experienced Project Manager in charge of the conversion project (see above).</p> <p>Managing your individual time can be achieved by making a daily or weekly schedule (including all your work and personal tasks) and prioritizing by, focusing on items in order of importance. Consider breaking each project into small manageable steps and delegating responsibilities. This will help to prioritize what needs to get done each day for your work, personal and leisure activities.</p>

In addition to project management and technical specialist support, Deloitte also provides numerous technical updates and publications via various sources such as webcasts, the monthly Countdown newsletters, www.iasplus.com, iGAAP IFRS for Canada 2nd edition, various tailored Canadian checklists and guides and even model financial statements. Contact your local Deloitte IFRS professional to get further information or to request assistance.

Final Thoughts

In addition to our tips above, there are of course things each of us can do as individuals to help manage our stress. For instance, keeping our perspective, maintaining a positive attitude, taking time out at appropriate intervals during the workday and planning for that big – or small – vacation from the accounting world over the summer, can all be part of the solution.

Remember it is possible to take the Stress out of IFRS.....and you can then look forward to the post-conversion period!

The Real Deal

MD&A



In our lead article, we discussed the theme of stress management and how to manage some of the pressures and stresses of IFRS transition. For the Lightyear implementation team, working alongside their Deloitte advisor, Hugh Guardian, has certainly lightened the transition load. The continued advisory support through the final stages of the project is doing much to alleviate the pressures and resource constraints that will inevitably be felt by many companies in 2010.

A key project to be tackled this month is the discussion on IFRS changeover that is to be provided in the 2009 Management's Discussion and Analysis as required under the Canadian Securities Administrator [Staff Notice 52-320 Disclosure of Expected Changes in Accounting Policies Relating to Changeover to International Financial Reporting Standards \(SN 52-320\)](#). This is one of the many 2010 projects that require a reporting issuer to think of IFRS reporting impacts at a time when Canadian GAAP is still the primary basis of reporting.

What's the Deal?

In our January 2009 issue of Countdown we addressed the annual disclosures, three years prior to changeover. The above staff notice has set out an incremental approach to issuers whereby the level of disclosure on IFRS changeover will increase as

changeover grows nearer and build on the disclosures previously provided.

Subsequent to the issuance of the original staff notice, disclosure reviews completed by the regulators have focused in on IFRS changeover and have stated their intent to continue to make this a focus area this year. The findings from the reviews have been summarized and published in some detail by the securities regulators which could effectively be summarized as "could do better". Specifically the Ontario Securities Commission issued OSC [Staff Notice 52-718 IFRS Transition Disclosure Review](#) in February 2010 and the Alberta Securities Commission issued their [Continuous Disclosure Review Program 2009 Report](#) in December 2009. Both of these reports provide some useful feedback and commentary on the IFRS disclosures in MD&A.

All of this is leaving some entities unsure about how to proceed with their disclosures in the 2009 MD&As – with IFRS still in flux, should they try and disclose details and numbers which are subject to a fair degree of uncertainty, or is it wiser to avoid inconsistent messaging on an area where some of the standards (let alone the underlying numbers) remain uncertain?

Keeping it Real

As with any other item in the MD&A, the objective of IFRS changeover disclosure is to provide information which enables an investor to understand how the entity is doing, through the eyes of management. If the entity has not made as much progress as management would have liked, the base principles of MD&A require you not to “hide” this fact but rather to state it, supplemented as applicable with the reasons behind this, and the action plan.

In terms of quantification, the Staff Notice does not explicitly require that numeric information be disclosed during the 2010 interim MD&As but we understand that regulators would, at the latest, expect quantification by the time the 2010 annual MD&A is prepared. This does not however preclude an enterprise from disclosing the impact of IFRS conversion where it is known at an earlier date and even if data is not sufficiently reliable to provide too much quantification at this time, a general idea of the direction of the impact and whether it is expected to be material could be helpful for financial statement users. It is important for management to consider their external reporting obligations once a material quantification is known or determinable about the transition to IFRS, even if Staff Notice 52-320 does not explicitly require disclosure at this time. We recommend that these matters, and the appropriate timing of the organization’s disclosure obligations, are discussed with the disclosure committee (or equivalent) and possibly with your internal or external securities counsel once you are aware of material impacts resulting from the adoption of IFRS.

As for the International Accounting Standards Board (IASB) uncertainty, clearly this is something which is beyond the control of any reporting issuer. Several key standards are subject to change in 2010 or 2011 (or beyond) and will, in some cases, necessarily prevent the final ‘seal of approval’ on an impact analysis or policy decision. What can be disclosed, and what are referred to in the Staff Notice, are matters such as:

- Specific projects that could impact the policy decisions of the entity; and
- Any assumptions about future changes in IFRSs.

Consideration should also be given to how such changes are being monitored and incorporated into the conversion plan where the impact of a new standard is of particular significance.

The Lightyear team is moving forward with their MD&A disclosures regarding IFRS changeover. The following table represents a tool used that deciphers and summarizes some of the key disclosure items required in the annual 2009 and in both annual and quarterly 2010 MD&As for Lightyear.

Discussion Item	2009 (Annual)	2010 (Annual & Interim)
New Accounting Policies	Details of major identified expected accounting policy differences Details of policy changes where current policy would be permissible under IFRSs	As for 2009 but with more details - identification of policy choices made and linkage to any quantified information provided at this time
IFRS 1 elections	Include decisions made here <i>if known</i>	Include decisions made here (<i>presumed to be known</i>)
Quantified information	Not specifically required – will depend on state of readiness of issuer Acknowledges that information may be narrative at this stage	Required to be disclosed where available on key line items Wording of Staff Notice suggests that quantification is presumed to be possible in year before changeover (e.g. given IFRS 1 reconciliation and comparative requirements)
Impact of IFRS on other areas	Throughout period leading up to changeover, the status of the key elements and timing of the changeover plan are required to be disclosed. This includes: information technology, internal controls, disclosure controls, financial reporting expertise and business activities No prescribed way as to how to deal with these but, depending on the significance of a particular area, this could be commentary as to the nature and timing of entity wide plans in place or, in some instances, how systems, controls or other matters will be impacted by a significant policy change or disclosure requirement	

Putting all of these requirements together, Lightyear has drafted their 2009 annual MD&A with the goal of striking the balance between providing a discussion that is informative but not too premature to be helpful to investors. Some 'extracts' have been included for the readers of Countdown but it should be noted that these 'extracts' are examples only and do not represent the full extent of commentary that may be required to comply with the securities requirements. Accordingly, you should consult your advisors for your particular circumstances.



2009 Lightyear Annual MD&A – Selected 'extracts' of IFRS Changeover commentary

"Effective January 1, 2011, the Company will apply Canadian GAAP for publicly accountable enterprises or International Financial Reporting Standards-International Accounting Standards Board (IFRS-IASB). In 2008, the Company prepared and started to implement an IFRS changeover plan designed to address and manage all aspects of the mandatory change in the financial reporting standards. A summary of the progress made by the Company and the expected financial reporting impact is outlined below. This represents our views based on all available information and decisions made at this time. As we finalize our changeover process, we will continue to provide updates on significant policy changes selected or required and the impact on the financial position and performance of the Company."

"IFRS changeover requires the preparation of an opening statement of financial position at January 1, 2010. This will reflect retrospective application of IFRSs subject to certain items where prospective application is either required or permitted. We have identified certain accounting policies whereby IFRS will result in a significant change for the Corporation, whereas in other areas no policy change is expected. There are unavoidably some areas where the extent of the policy change has not yet been finalized pending completion of the related IASB project."

"IFRS 1 - First-time Adoption of IFRSs

The initial adoption of IFRSs has required Lightyear to review each of its accounting policies and determine whether or not a change is required or permitted under IFRSs and whether any amended policy is required to be applied on a retrospective or prospective basis. As noted above, IFRS 1 generally requires retrospective application of the new policies but prospective application is required or permitted in some instances.

The below table is a high-level summary of the significant accounting policies of Lightyear and the impact of adopting the new standard under IFRS 1."

Accounting Policy	Policy change expected on transition to IFRSs	Is there an IFRS 1 exemption available?	Will the IFRS 1 exemption be applied?
Revenue Recognition	No	No	N/A
Consolidation	Not yet determined	Not yet determined	Not yet determined
Property, Plant and Equipment	Yes	Yes	Yes – to selected assets
Borrowing costs	Yes	Yes	Yes
Employee Benefits	Yes	Yes	Yes
Business Combinations	Yes	Yes	Yes – to all prior business combinations
Income Taxes	Yes	No	N/A

[Note to Countdown readers – selected extracts only have been shown in this Countdown article]

"Business Combinations

The Company will adopt IFRS 3 – Business Combinations (IFRS 3). This standard is substantially harmonized with the Canadian Institute of Chartered Accountants (CICA) Handbook Section 1582 – Business Combinations (Section 1582) which the Company has elected to adopt for business combinations initiated from January 1, 2010 onwards. The impact on the Company's policy as a result of the adoption of this standard has been discussed earlier in this report.

IFRS 3 will be applied prospectively in the opening IFRS statement of financial position and prior business combinations will not be restated due to the Company choosing to apply the IFRS 1 exemption for Business Combinations completed prior to January 1, 2010. As required by the prospective application requirements relating to IFRS 3, the Company will test its goodwill for impairment in accordance with IFRSs at the date of transition."

"Property, Plant and Equipment (PP&E)

Under the requirements of IAS 16 Property, Plant and Equipment, (IAS 16) the Company will continue to account for all of its PP&E under the cost model. There will be some changes in the existing practices of the Company under IAS 16 which will also require information technology, process and controls changes.

IAS 16 requires that assets be depreciated at the significant parts level which will have an impact on two of the Company's asset classes. Under IAS 16, the Company will be identifying and tracking parts of those assets which it considers to be significant based on an assessment of replacement activity, the relative cost of the part in relation to the asset and the consistent application of judgment. IAS 16 also requires annual reviews of estimates attached to PP&E. This will be formalized in the Company's new accounting policy with the requisite processes being implemented to ensure compliance.

The Company has elected to fair value a number of its buildings at the date of transition as permitted under IFRS 1 First-time Adoption of International Financial Reporting Standards (IFRS 1). For these assets, the fair value at this date will form the opening cost on transition with IAS 16 being applied prospectively to these assets. The impact of restating these items to fair value has not yet been determined and will be disclosed in a subsequent period. Aside from these items, IAS 16 will be applied on a full retrospective basis, the impact of which is not expected to be material either on transition or in subsequent accounting periods."

Next Steps

With another milestone tackled and the annual 2009 financial statements and MD&A finalized, Lightyear will continue in its implementation of standards in our March edition of Countdown. The new IFRS on joint ventures has an estimated completion timeframe of the first quarter of 2010 so the team will be monitoring IASB activity closely so it can tackle any new developments sooner rather than later in the year.

Regulatory review of MD&A disclosures on IFRS transition

Ontario

The Ontario Securities Commission (OSC) has recently issued [Staff Notice 52-718](#) based on their reviews to assess the extent and quality of IFRS transition disclosures made by issuers in their 2008 annual and 2009 interim MD&As.

Overall, the OSC noted that issuers are not adequately disclosing information related to their IFRS transition efforts. Based on their review, 40% of the issuers reviewed did not provide any IFRS transition disclosure, and approximately half of those who did discuss an IFRS changeover plan in their 2008 annual MD&A only provided a generic description of the plan, without any issuer specific information. Further, 48% of the issuers that discussed IFRS transition in their 2008 annual MD&A failed to provide quarterly updates in their 2009 interim MD&As on the progress made related to their plans.

The OSC expects issuers to provide more details in terms of their IFRS transition as the changeover date approaches. The 2009 annual MD&As should provide progress updates on the conversion plan, as well as descriptions of identified accounting differences between the issuer's current accounting policies and those the issuer expects to apply. In 2010, there will be an expectation that significant details on the changeover plan are provided including key decisions on policy choices under IFRS 1 First-time Adoption of International Financial Reporting Standards, as well as quantified information about the impact on key financial statement line items, if such quantifications are available.

Alberta

The Alberta Securities Commission issued their [Continuous Disclosure Review Program 2009 Report](#) at the end of last year.

The ASC report covers all areas reviewed in 2009 as part of the continuous disclosure review process and incorporates several pages of discussion on IFRSs. Accordingly, there is less material dedicated to IFRS transition findings, but the nature of the findings are consistent with those of the OSC. The ASC report provides specific acknowledgement of the fact that the level of IFRS readiness varies between issuers noting that some reporting issuers have perhaps done less than originally planned around IFRS transition due to the impacts of the economy on the business operations and financing of the issuer. On this note, the ASC encourages that the issuer discuss this frankly, which could include plans for accelerating transition in 2010, as opposed to say nothing or use boilerplate or generic statements that are not helpful for the users.

The report also provides some good examples of the types of disclosures that meet the regulatory standards in this area as well as those that fall short. This may be a helpful reference source for those who are looking for guidance in their own MD&A disclosures.

Deloitte IFRS publications and events

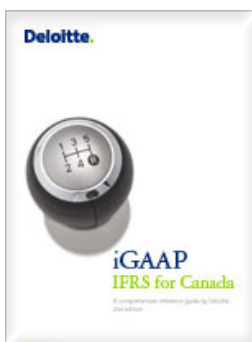
A comprehensive summary of Deloitte IFRS publications and events is [available here](#).

Please first [login](#), first time visitors will need to complete a short registration form. Below we have included new publications and events most relevant to Canadian companies.

IFRS Publications

iGAAP: IFRS for Canada, 2nd Edition

Deloitte iGAAP: IFRS for Canada, 2nd Edition launched on January 5, 2010. It is a comprehensive reference book on the transition of Canadian GAAP to IFRS. The book includes expanded Canadian content and reflects current thinking in key industries. It is essential reading for accounting professionals, as well as others who need to understand the implications of IFRS conversion on their organization. Written for Canadians by Canadian practitioners, the book provides a roadmap to help companies understand how to effectively transition from Canadian GAAP to IFRS.



- For more information, please visit the [Deloitte IFRS website](#)
- To order the book in printed or digital format, please visit the [CCH website](#)

IFRS Model Financial Statements for 2009

These model financial statements for the year ended December 31, 2009 illustrate the application of the presentation and disclosure requirements of International Financial Reporting Standards (IFRSs) by an entity that is not a first-time adopter of IFRSs. They also contain additional disclosures that are considered to be best practice, particularly where such disclosures are included in illustrative examples provided with a specific Standard.

Canadian Disclosure and compliance checklists for 2009

Deloitte Canada has published an IFRS Presentation and Disclosure Checklist and IFRS Compliance Checklist incorporating differences between Canadian GAAP and IFRSs. The Canadian versions are based on the Deloitte global versions but also include 'consideration points' relating to key differences between Canadian GAAP and IFRSs that may be helpful for Canadian companies in assessing whether or not they meet the requirements of a specific IFRS. These considerations may also serve as a helpful reference source for Canadian companies on transition to IFRSs from Canadian GAAP. Also, the English versions (.docm files) include a built-in macro that allows users to select standards that are not applicable to them and exclude them automatically. [Click here](#) to download:

- 2009 IFRS Presentation and Disclosure Checklist
- 2009 IFRS Compliance Checklist

Webcasts

IFRS technical update – Keeping current in a year of change! – It's official – the IFRS standards have now been incorporated into the Canadian Institute of Chartered Accountants (CICA) Handbook. Stay up to date with recent activities at the CICA and the International Accounting Standards Board (IASB) on key projects under development and how they may impact your organization. Keep current on matters being discussed by the Canadian Accounting Standards Board (AcSB), the Canadian Securities Administrators (CSA) and other regulators. Receive some tips and suggestions to consider during your 2010 conversion activities.

- **March 23, 2010** - English session
[Click here to register](#)
- **April 7, 2010** - French session
[Click here to register](#)

International Round-up

Updates and news from the IASB

January 28, 2010: IASB issues limited exemption amendment to IFRS 1

The IASB has amended IFRS 1 to exempt first-time adopters from providing additional disclosures introduced in March 2009 by Improving Disclosures about Financial Instruments (Amendments to IFRS 7). The amendment gives first-time adopters the same transition provisions that Amendments to IFRS 7 provides to current IFRS preparers. This amendment is effective on July 1, 2010 with earlier application permitted. [Click here](#) for IASB Press Release. [Click here](#) for Deloitte's newsletter explaining the amendment.



February 17, 2010: Joint IASB-FASB Meeting - proposed consolidation exemption for Investment Companies

During this joint IASB-FASB (Boards) meeting, the Boards discussed possible guidance for investment companies that would exempt them from the requirement to consolidate entities they control. The aim of the discussion was to consider the implications on accounting for an investment company that holds various investees. The Boards agreed to develop a generic international guidance based on the current US GAAP requirements that would exclude US specific references. In addition, the Boards agreed that investment companies required to report investments at fair value should provide additional disclosures. [Click here](#) for Deloitte's observer notes on the meeting.

February 17, 2010: IASB meeting – Exposure Draft ED/2009/8 Rate-regulated Activities.

The IASB staff presented to the IASB a summary of their comment letter analysis of comments received on Exposure Draft ED/2009/8 *Rate-regulated Activities*. The staff were not satisfied that they had sufficient international consensus to recommend any direction for the Board and as a result requested more time to undertake further research and analysis. The Board agreed to the staff's request for more time and has determined that the earliest an IFRS could be issued is now estimated to be either the 3rd or 4th quarter of 2011. [Click here](#) for further details.

February 22, 2010: Working draft of the Liabilities IFRS is available

The IASB staff has released a Working Draft of the Liabilities IFRS (planned successor to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*). The working draft is based on proposals published for comment in 2005, amended for decisions the IASB has taken in the light of comments it received. In particular, the Board has decided to provide more guidance on applying the proposed measurement requirements. On January 5, 2010 it published for public comment a [Re-exposure Draft](#) of the proposed new guidance with comments due by April 12, 2010. The Working Draft of the final IFRS is on the IASB's public website [Project Page](#).

February 24, 2010

The Securities Exchange Commission (SEC) [held a meeting to discuss and vote](#) on a Commission Statement relating to the use of IFRS in the United States (U.S.). [The statement reiterates the SEC's support](#) for a single set of high quality global standards and recognizes IFRS as the standards best positioned to be that set of global standards. The SEC has been directed to carry out a work plan prior to an SEC decision on whether to require U.S. issuers to transition to IFRS, a decision that will be made in 2011. The statement also withdraws the early use option that was in the proposed roadmap, though early use may still be viable if the SEC decides to require the use of IFRS. No details of potential transition dates or approaches were provided, but the SEC staff stated that 2015 or 2016 seemed reasonable based on comments received on the proposed roadmap. The SEC will be providing regular progress reports with the first one being no later than October 2010.

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